THE CHINA WEEKLY REVIEW

密勒氏評論報

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September 7, 1946

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AN EDITORIAL

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Reds Moved To Shantung

By Capt. Thomas A. Watson, USMCR

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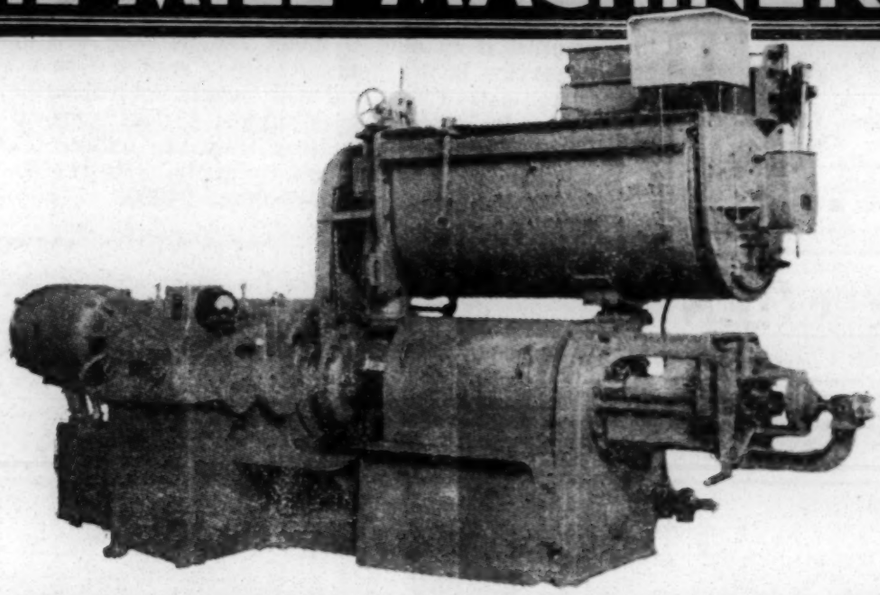

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of **The China Weekly Review.**

'Tickle Me Tobe..'

To The Editor:

I admire and appreciate your blunt and fearless comments which appeared under heading of "Raid or Robbery" in your issue of August 17, 1946, and the manner in which you handled the subject.

The Woosung-Shanghai Garrison came out with "super" statements that official warrants were produced, all their men were in uniform, victims were not handcuffed, etc., etc., and, not to be left out of the picture, the U.S. Provost Marshal himself came out with a statement that his boys merely attended in an "observing capacity," and that "they did not enter the buildings being raided."

But the honors of the day go to Col. Weissman, and I quote, "there has always been and continues to be close coordination between members of the American Military Police and the Shanghai-Woosung Garrison." Of all the official statements that have appeared in the press the above leaves very little room for doubt. In the words of Thomas Carlyle, 'Tickle me Tobe and I will tickle thee.'

"CLEAN PICKED"

Shanghai,
August 28, 1946.

The Reader's Right!

To The Editor:

With reference to the Editorial entitled "Postal Rates and Service," appearing in the last issue, you have pointed out the last hike in postal rates was 1100 percent. As far as I know the postage of ordinary letters within China has risen from $2 to $20 since last September. That is a 1000 percent hike in rates. Was it a misprint or was the Review's Postage raised 1100 percent?

LOH MINGSHIH.

Kweiyang, Kweichow.
August 21, 1946.

* * *

(It was a misprint. The figure should have been 1000 percent.—Ed.)

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Answer to Celsius

To The Editor:

I will not contradict the many minor inaccuracies to be found in the article written by a Mr. Celsius.

First of all: I was not "disbarred' in any way. Such a step cannot be taken by the "Association of Central-European attorneys-at-law," because it is a private association which is not entitled to give or take anything other than its membership.

Furthermore, the article gives an incorrect impression in saying that I was expelled from the aforementioned lawyers association by a vote of 46—2. Mr. Celsius should have mentioned that about a dozen of the members didn't attend the meeting and 13 members who appeared left the room before the voting was made or abstained in some other way because they felt unable to support the motion.

It is also incorrect to say, that American and Russian lawyers refused to take over the defense. Russian lawyers emphatically offered their help but were refused by the accused; the defense by a "well-known American barrister" was not accepted solely because the defendants were unable to pay him a fee of US$80,000.

Mr. Celsius and some other persons are blaming me in two respects:

1) Because I accepted the defense.
2) Because later I resigned from it.

Generally, I think, people who demanded so urgently that I give up the defense and who even threatened my life in case I didn't, have forfeited their right to blame me because I complied with their wishes.

Nevertheless I shall answer my critics thusly:

1) The advocates of Beilis and Captain Dreyfuss lived in countries where there was no doubt that the police would aid them in case of need. According to the article to be found in your magazine only seven pages before the article attacking me, I don't think that you are pretending that the same situation exists in Shanghai.

2) Mr. Celsius guesses that once having taken over the case, I should have stuck with it under all circumstances even if I become "a worse risk for a life insurance company than a stunt

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flier." Did he realize what this meant. He himself mentioned the fact that some Jewish organizations had declared that they "would prevent me from reaching the hall of justice, even with violence if necessary." As a last consequence I therefore would have to ask the MP's or the Chinese Police to break force with force. The next day the headlines in some newspapeers would have run as follows: "Emigrant lawyer requests MP's and Chinese Police to fire on Refugees in order to be able to defend Nazi spies." Is Mr. Celsius really convinced that having robbed some papers of this sensational opportunity is equivalent to not having "the makings of a real criminal lawyer?"

3) I resigned from the defense with the full understanding of my clients after having ascertained that they would receive satisfactory assistance from their official lawyers.

I would like to repeat: This case has, at least regarding my clients, nothing to do either with National Socialism or with politics at all. The defendants have never been spies nor are they accused of espionage. They fulfulled their military duties as German officers in China according to the orders from the German High Command. To disobey them would have meant certain death in the times of the Japanese occupation. They are accused of having continued their work after the German surrender. The defense will help them to refute this accusation.

None of my former clients worked in any way against the Jewish community. Two of them proved to be real Anti-Nazis who continually helped emigrants with food and money and in other ways.

I deemed it right not to deny my professional assistance to people who were in need of it and I expected that I would find some understanding for this decision and would not be stabbed in the back by my own colleagues.

I only want to direct attention to three principles:

1) The professional defense of a man a lawyer is convinced not to be guilty can never violate any ethical obligations.

2) Even in a political case the lawyer does *not* have to give the client his "loyalty."

3) The adoption of the unjustified Nazi generalizations, prejudices and methods on the part of Jews will never win them the world's sympathy.

Dr. ALFRED JACOBY.

Shanghai,
August 29, 1946.

Old Citizens

To The Editor:

The letter by "the Old Citizens' Union of Chungking, Chengtu, Chiating & Shuenking," published in your August 10 issue, appears most amusing and amazing. I have heard, when a refugee in Chungking years ago, that we "down-river" fellows "damned" or cursed the Szechuenese as rats. Now we have respectable Szechuenese condemning their own leader as a big mouse, because this leader happened to despise Chinese civilization.

I know that leaders of the so-called C. C. faction also outlawed those who despised Chinese civilization which glorifies the greatness, divinity, inviolability, infallibility, omnipotence, omnisciencee and magnanimity of Cathay's Leaders.

Chang Lan, the Democratic League's leader, no doubt has committed the crime of high treason, according to your correspondent's criterion.

I personally do not quite feel satisfied with China's Democratic League as the Leaegue was obviously exploited by politicians who don't care much for democracy. Still, that does not mean China

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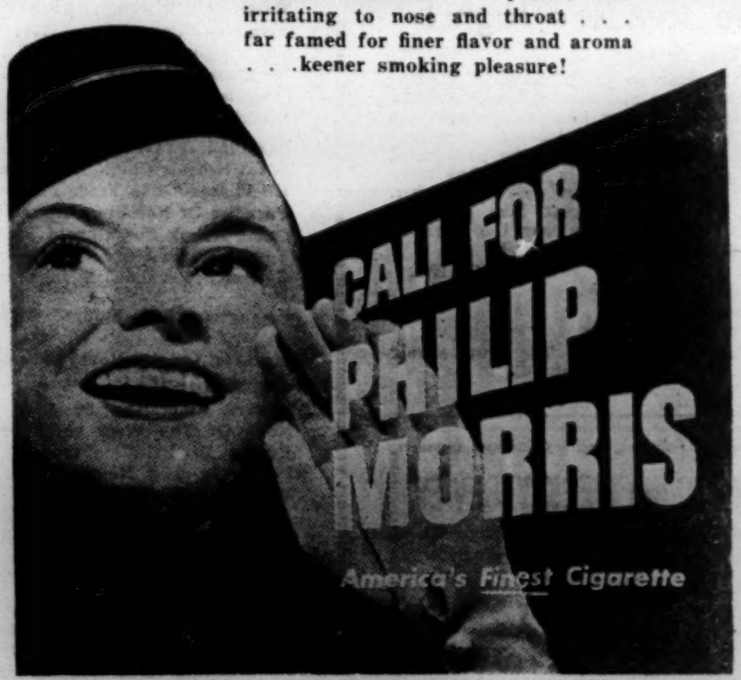

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should be ruled by secret police.

China's Democratic League owed much, in its infant stage, to the encouragement of an American citizen, Robert Ward, when United States Consul in Hongkong about a year before Pearl Harbor. In those days rumors that China was about to surrender to Japan were current. A few Chinese intellectual leaders in the Colony were very much opposed to the defeatism of some Chungkingites. Mr. Ward got in touch with these leaders one by one, letting them know that the United States did not mean to betray China.

These leaders, encouraged, began to organize and publish newspapers and periodicals presenting their views. General Chiang's regime learned the story and from Chungking the Central News denied that there was ever such a Democratic League. Some of the leaders got scared and wavered. Others continued their fight.

In a pamphlet recently circulated by China's Democratic League, Mr. Liang Shu-min, one of the League's leaders who once interviewed Mr. Ward, mentioned the story. Mr. Liang however, did not, mention Mr. Ward's name nor the name of the Chinese politician who arranged for the meeting.

When compared with the Knomintang and the Communists, China's Democratic League seems altogether unorganized and ungrateful. One faction is likely to become the Reds' spokesmen while another may eventually join the Kuomintang reactionaries.

A great number of members of China's Democratic League may be ignorant of what Democracy really means. Many of them may be even opposed to the system if they themselves have political power in their possession.

But what about members of the Kuomintang and the Communist Party? Do they understand the Three People's Principles or Karl Marx's Das Capital?

Why send Chang Lan alone back to his home and let the Gestapo and OGPU remain to terrorize the country? What "Order?" Hitler's Order, Stalin's "Order" or the Mikado's "Order?"

America achieves its democracy because its forefathers in Boston refused to pay an additional cent surtax on tea without the consent of their representatives. "Taxation without representation is tyranny." That is the stuff that began American democracy.

The Szechuenese elders on the other hand had acquiesced to their military tuchuns, each with more than a dozen wives, to collect landtax some 50 years ahead. Now they want to be the judges of democratic courts. Can you be surprised that even Tai Li's men claim to be democrats?

O. K. HU.

Hongkong,
August 14, 1946.

Right To The Point

To The Editor:

Your editorial entitled "Raid or Robbery"? (August 17) is outspoken and right to the point. I quite agree with you that "it is Shanghai's misfortune that the National Government has seen fit....to entrust the two posts of Commissioner of Police of the Shanghai Municipal Government and of Commander of the Woosung-Shanghai Garrison Headquarters to a single person," As is widely known, it was Generalissimo Chiang Kai-shek's fine hand that made General Hsuen Tieh-wu what he is today—Police Commissioner and concurrently Garrison Commander.

The appointment of Hsuen to the concurrent post of Garrison Commander has in my opinion created an unprecedented irregularity in the history of

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Shanghai. For a public figure has been made responsible to nobody but himself. As the Police Commissioner, Hsuen Tieh-wu is a civilian and therefore within the reach of the Shanghai District Court. In other words, if he violates the law either the Procurator or the party wronged can have recourse to the Court. As the Garrison Commander, he is responsible to the Chief-of-Staff of the Ministry of Defense. In other words, he is now outside the jurisdiction of the Shanghai District Court. If he violates the law neither the Procurator nor the party wronged can do anything. Theoretically, the party wronged can appeal to the Ministry of Defense and, if the Ministry turns a deaf ear to the appeal, the Executive Yuan can be brought up. But this is only "theoretical." As a matter of fact, the Garrison Commander often receives direct instructions from the Generalissimo.

For instance, the scandalous "Rice Loan Case" is clearly one the Shanghai District Court alone has authority to deal with. But when the Garrison Headquarters demanded that rice official Wang Ta-jen be handed over, the Shanghai District Court could not but comply. Now, only a few days ago, when the Court reiterated its request for the return of the culprit, the Headquarters flatly refused saying they had got the Generalissimo's direct orders (*shou ling*) to try the case. It is bad enough for anybody to violate the law. In the case of the Generalissimo, it is all the worse because the law he has violated was made by his party—the Kuomintang—and not by the people's representatives.

The Garrison Headquarters maintains a detective section which is daily investigating criminal cases. For the last few months many kidnappers and robbers, mostly CIVILIANS whom, according to repeated Government assurances, the Courts of Law alone can deal with—have been executed or given sentences of varying lengths by the Garrison Headquarters. Indeed, cases of kidnapping and robbery are matters for the Municipal Police to investigate. The detective section of the Municipal Police has on many occasions done wonders. Why should the Police be encroached upon and their fine work duplicated, my dear Editor? Your enlightenment, please!

ONE WHO IS AGAINST
MILITARY RULE.

Shanghai,
August 21, 1946.

How Chang Was Assaulted

To The Editor:

A memorial service was given in the Yung Kuang Theatre here in Chengtu on August 18 for the late Democratic patriots, Li Kung-po and Wen I-to, who were assassinated recently in Kunming. Among those present were such distinguished persons as Mr. Li Po-sun, secretary general of the Szechuen Provincial Government, Mr. Li Huang, Young China Party leader, Professor Chu Chi-chen, famous poet, and Mr. Chang Lan, president of the Democratic League.

Mr. Chang Lan, a bearded, venerable man of more than 70, stressed two principal aims which the Democratic League is struggling for, namely peace as against internecine warfare, and democracy as against one-party rule and absolute dictatorship. The two martyrs had paid with their lives for these noble causes, he said, and he was sure the people will continue the struggle until the realization of these aims.

When the service was over and the people began to leave a dozen

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scoundrelish-looking plainclothes men yelled from the back seats: "Down with the Communists." "Down with Chang Lan and the Democratic League." It reminded us of the Tsang Po Tang and Chiao Chang Kuo mobs but nobody paid any attention to them. As Mr. Chang was about to enter his car, a few pieces of dirt were thrown at him but missed. Then suddenly a man in a yellow uniform threw a red ink bottle at his head. (The contents of the bottle were later found to be a liquid that causes inflamation to the skin.) The bottle hit him in the face and broke, cutting him badly. It is quite strange that while this cruel drama was enacted, more than a dozen armed policemen and guards looked on as if nothing unusual was happening. One wonders what kind of a government it is that permits such acts of lawlessness to be perpetrated in the eyes of thousands of people in the center of a provincial capital in bright day light.

I feel sympathetic towards Mr. Chang and I also feel sorry for ourselves because we have a government which, with foreign assistance, insists on carrying on a civil war that endangers our lives and liberties. As peace is indivisible, it is time that the United Nations intervene so that the people of the world will not be threatened by World War III, which is highly possible unless the fires of civil war in China are extinguished immediately.

K. L.

Chengtu,
August 27, 1946.

Dangerous Drivers

To The Editor:

American military trucks have recently occasioned many accidents in the local streets which brought death to not a few innocent Chinese civilians. Such accidents mostly are caused by over-speeding as well as carelessness or negligence on the part of the driver. There are trucks and cars chauffeured by Chinese drivers but accidents committed by them are almost nil. The rub is that when an American military serviceman kills a pedestrian, no punishment is inflicted on him except that he has to pay a fine of CNC$200,000 or so to the family of the victim as compensation. The Americans, however, underestimate Chinese human life too much, which is most unfair. It implies that a piece of Chinese human life costs only a small amount of money. I wonder whether it is also possible that in the States a small fine alone can settle a case of the same nature.

I earnestly hope that U.S. servicemen will be more scrupulous henceforth in steering their trucks. It is not justifiable to think that an accident involving a man's life is nothing but a payment of fine which, as a matter of fact, doesn't mean anything to them —especially insofar as only a small amount of cash is concerned. The U.S. authorities concerned must also bear some responsibilities. They should be strict in dealing with these cases. Due punishment must be inflicted on the guilty so that such accidents will decrease in the future.

I like Americans, as the majority of Chinese do. I am not saying something here to create, intentionally, among Chinese, bad feelings against Americans. I am however writing an open letter to the U. S. military authorities in the hope that appropriate precautions will be taken against these events which are increasing daily in this locality.

With best regards,

CHENG PAO-MING.

Tsingtao,
August 24, 1946.

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Forlorn Hope

To The Editor:

The recent readjustment of the foreign exchange rate was aimed at the encouragement of export trade, thereby giving relief to Chinese industry and commerce.

A small flurry was experienced in the Shanghai financial market following upon the heels of the new decision which logically gives impetus to the hike of commodity prices, especially those of imported goods. However, it is hoped that businessmen can behave themselves this time and not abuse the Government policy by deliberately raising prices for the sole purpose of making profits.

ALFRED WANG

Shanghai,
August 28, 1946.

We Oppose War

To The Editor:

Will you please transmit a word to the policy-making body of your country? We—I think I am justified in speaking for the 400 millions of our people with the exception of those bloodthirsty warlords—are fed up with wars, especially with civil wars. And we oppose anything, such as sale of surplus military supplies, etc., etc., that goes to add fuel to it. If you people want war with Russia or anybody else, go ahead. You have plenty of atomic bombs and able-bodied soldiers, haven't you? But do not try to embroil us or use us as pawns. There may be some more Wang Ching Wei's who will consent to it. But we, the people of China, will resist any such attempt with whatever meagre strength we have, just as we did a similar attempt of the Japanese nine years ago.

YAO HSIN PAI.
A Chinese Citizen.

Shanghai,
September 1, 1946.

Chinese Attitude?

To The Editor:

I send you herewith a quotation from a book published more than fifteen years ago and dealing with a period in China prior to 1911. I think you will consider it timely (to say the least) in view of present-day comment about the Chinese attitude towards foreigners.

A Chinese philosopher, one of the characters in the book, sums up his ideas about foreigners and how to treat them:

"...we cannot persuade them to respect our culture and traditions, we cannot afford to fight them since they can rise to heights of sustained violence and ferocity of which we are incapable, but there is a good chance that we can swindle them, outwit them at such games as diplomacy, and make life for them here so uncomfortable and profitless that, while they have no just cause to fight us, they will not find it worth while to stay.

As I see it, there is no other chance for us. For this we need clever men and not simpletons, man trained to hypocrisy, trained to talk convincingly of honesty, reform, modernization, law, justice and everything else they say we need, and at the same time prick them into a state of misery by such sleight of hand that they cannot say with certainty just how they are being annoyed nor who is responsible for it."

For various reasons, I believe the book and its author should remain anonymous. It was written by a well-known American.

C. W. C.

Shanghai,
August 26, 1946.

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Five-Man Committee

SO far, everyone seems to consider that the formation of the new sub-committee of five, to negotiate for the reorganization of the State Council, is "a step forward." What we would like to know is: A step forward from where, and to where? As far as we can see, the only step that has been taken is another step in the game of running around in circles.

Most dispatches from the capital dealing with the subject began with the usual "Bulletin, Bulletin, Bulletin" so dear to the correspondent's heart, painted in rosy pictures of what **might** be accomplished by this series of fireside deliberations under U.S. Envoy Stuart's umpireship, then blandly announced that all military subjects would be beyond its authority. Without saying as much, the dispatches announced that a new Atlas of compromise would shoulder the burdens of China, and then, in an undertone, added — "but they do say he was emasculated at birth."

At a time when the military situation dominates all others, what prompted both sides to favor the creation of an academic debating society is beyond understanding. Perhaps the old desire for "face" by both civil war factions was behind it all, for both can once again claim that they are making every effort to reach a settlement. Perhaps it was done to humor U.S. Ambassador, and China's veteran benefactor, Dr. J. Leighton Stuart. But whatever the reason, it seems clear that everyone at the top political level realized, right from the start that putting the political cart before the military horse would not solve anything.

It is now clearer than ever that control of the situation has passed from the hands of the Nanking negotiators into the hands of the various field commanders. The Nanking negotiators perhaps now hope to restrain the prancing tiger of civil war by pulling at his tail, rather than by muzzling him.

The time has come, we believe, when no non-military accord can succeed in China. It is the field commanders who now have the destiny of the nation in their hands. Political maneuvers have been displaced by military maneuvers, and the councils of war overshadow in importance all other councils. Only an agreement on the highest military level can now unravel the skein of civil war.

Not until both sides tackle the real problem —which is the delimitation of garrison areas, finally leading to the unification and the reorganization of the army—can there be any hope for final peace. The mere fact that military problems are entirely beyond the scope of the five-man committee shows that the five negotiators, whose time is all too precious at the present time, will be throwing away valuable opportunities for tackling the civil war bull by the horns by debating theoretical problems at a time when only the stern realities of the moment count for anything.

Perhaps the only concrete good that the five-man sub-committee can produce is to "keep the face" not only of U.S. envoys Stuart and Marshall, but of the leaders of the two warring factions. They can now once again claim that despite all differences, they are leaving the door open for negotiations at the behest of the masses, those same masses who are paying the heaviest price of all in the current struggle.

The Surplus Property Deal

THE State Department, which, like the Army, always tries to work behind closed doors and views all newsmen as particularly distasteful specimens of humanity, had the door forced open a little last week when it was caught up in a highly questionable airplane deal.

This was the sale of several "old" bombers to the Central Air Transport Corporation, ostensibly for scrapping. CATC, which is not run by a bunch of dummies, looked the planes over and, finding them to be in pretty good shape, offered them to the Chinese Air Force. The State Department's Foreign Liquidation Commission, when this was pointed out howled that it had been double crossed by CATC and promptly marched out to the airfield and sabotaged the planes. The fault, it seems to us, lies with FLC and not with CATC. China, after all is engaged in a civil war, and those on one side or the other naturally must be excused if they fail to understand the peculiar brand of American logic which allows for loud yelpings about being neutral, while quietly doing things like selling bombers to civilian airlines. Would not any reasonably intelligent individual assume that this was the "clever" American way of paying lip service to a moral ideal, while actually doing something else? Everyone does it, so why not the Americans?

However, we really doubt if the deal was the result of any such diabolically clever thinking on the part of FLC. We are putting it down to habitual bureaucratic inefficiency and an overwhelming desire to liquidate on the part of the Commission.

* * *

PERHAPS more "interesting" was the giant surplus property transfer concluded a few days later in which Surplus Property Commission-

er Thomas B. McCabe sold Dr. T. V. Soong an indeterminable amount of U.S. surplus property scattered about the Pacific for an indeterminable amount of cash. The only really definite figures which stood out from the welter of official mumbo-jumbo language in which the deal was couched, were US$500,000,000 and US$85,000,000 which is what the stuff originally cost Uncle Sugar. Various sums were discounted, it would appear, because of American indebtedness to China for airfields, etc., etc. supplied by China during the war.

A few of the things we want to know are: How was the cost price of these installations figured. They were built long ago. What exchange rate was used? Also how about fields which cost several times their legitimate price because of grafting provincial and other officials? What value was set on the airfield at Kanhsien, for example? Was any consideration taken of the fact that many of these installations were never used, being only partially completed when the Japs captured them?

Another item we're interested in: What is the status of China's Reverse Lend-Lease? Is it included in this deal?

While we don't wish to sound like Uncle Shylock, we merely want to see the books. If the State Department wants to give it all away, and has Congress' approval, it's okay by us. China fought for a long time and certainly deserves help, especially if it costs us nothing more than a bunch of war-designed equipment which we don't want and which China does.

Having a healthy respect for ledgers, though, we would like to see a complete breakdown of the sale. Otherwise we'll never know just who is stinging who and, more important, where the graft is most likely to turn up first.

Congressional Tours

SHANGHAI this week was treated to the spectacle of another batch of junketing representatives of America's highest democratic institution—the U.S. Congress.

While we, like most Americans, frequently complain about our Congressmen and Senators and about Congress itself, we certainly wouldn't do without it. Congress is often slow and bungling and we've elected many a bonehead to office, but these things are the price of democracy and we feel the price is cheap.

However, we think it is about time that the Senate and the House ceased using the device of sending a committee around the world on an "investigation trip" as an excuse for giving expense-free boondoggling trips to deserving politicos.

Naturally, we are referring in particular to this current whirlwind tour by Representatives John E. Sheridan (Dem. of Pennsylvania), Robert L. F. Sikes (Dem. of Florida), Dewey Short (Rep. of Missouri), Thomas E. Martin (Rep. of Iowa), J. Leroy Johnson (Rep. of California), and Michael A. Feighan (Dem. of Ohio). The latter is a member of the House Judiciary Committee and is studying war crimes activities, while the rest are members of the House Military Affairs Committee and apparently are "casting" what they consider the scene of the next battlefield. Such a statement would be borne out, it would seem, by the remarks attributed to some of the representatives while they were in Tokyo last week. They said, according to A.P., that they were now viewing the whole Pacific military problem in a new light and that we must increase our forces as long as Russia kept so many troops in Asia. We must be prepared, argued Representative Short, because he feared there was "imminent danger of another Pearl Harbor in Korea, Trieste and Alaska."

The length of time spent in any one spot by these men quite obviously precludes their obtaining any sound knowledge of local conditions. Each Army commander and each consular representative who expects to be visited, gets himself briefed by his staff beforehand and then "presents" a summary of the situation to the dignitaries at lunch or dinner and they hop on the next day, "fully informed" of the area through which they have traveled.

While the Shanghai itinerary has not been published in full, what has appeared in the papers gives us a rough idea of how our Congressmen have spent their time here. A cocktail party with Ambassador Stuart was the first we saw of them, but we understand that they lunched on successive days with Mayor Wu, General Gilem, and the American Chamber of Commerce and, we were told, spent Monday afternoon shopping—a favorite pastime for all distinguished visitors. (U.S. Customs, please note.)

Despite the undoubted abilities of these men, they cannot possibly remember all they've seen or all the people with whom they've talked. We wouldn't be surprised if, when they got home, they began saying, "When we were talking with General Gilem in Dutch Harbor. . . ." and "in Manila Ambassador Stuart said. . . ."

There are entirely too many things happening in the world which really demand thorough and detailed study by our legislators for them to be junketing around the world on cook's tours. We would suggest that Congress send a small committee to China with instructions to stay for at least a month. Another committee should be sent to the Philippines, etc., etc. Furthermore, these trips should not be designed to promote the political fortunes of the travelers. We recall only too well the activities of one of our better known senators who visited China and India during the war. He was delayed several days in New Delhi because he set up an office and, obtaining the files of all men in the area who were from his home state, dictated letters to their wives and parents saying hat he had seen their husband or son and that he was getting along fine in the Army. It is presumed that he actually saw them, because he had the poor GI's lined up waiting to see him for hours.

The problems are many, the time is short. We say send these guys home and send us some serious Congressmen who will stay a while and who will make a decent effort to find out what's what and at least attempt to justify the expenses of the trip.

How's Your Average?

From the Daily Oklahoman.

If there were only some way to figure the official averages of Public officials, as the batting and fielding averages of baseball players are figured, it would be so easy to pass an intelligent judgment on candidates for re-election.

Cleaning Up Begun

A TRULY grand start toward cleaning up Shanghai was made on September 1 when, almost miraculously, notorious "Blood Alley" and several other black market centers folded and like the Arabs disappeared into the night. The disappearing act took place last Saturday night after the most hectic day in Rue Chu Pao San's history—a day of feverish trading which must have seen hundreds of millions of CNC dollars change hands as the stallholders liquidated huge stocks of both legitimately acquired and pilfered goods.

The Police Bureau deserves full credit. There was no rough stuff in Blood Alley. The word had been passed: the stalls must go. No extension would be granted, no petition considered. An attempted parade late last week was swiftly broken up by the police. Needless to say, this cleanup, long overdue and long demanded, reflects considerable credit upon Mayor K. C. Wu, one of whose pledges thus has been kept.

It will be necessary, however, for the police to continue to keep a watchful eye out for the stallholders. Their regular haunts denied them, many have not retired from business but have sought refuge in other districts, mainly residential ones. They will have to be eased out, or booted out, if necessary, to convince them that the authorities mean business and that no considerations of earning a livelihood or attempts at bribery will avail.

The municipal finance department, which has recorded a deficit with monotonous regularity since V-J Day a year ago, should see matters improve for neither these stallholders selling imported goods paid their three per mille tax any more than the remaining street nuisance, the portable coffee shops and restaurants turn over to the SMG any 20 percent restaurant tax—a daily loss running into millions which the local municipality well could use.

Liberte, Egalite, Etc.

APPARENTLY encouraged by the success of their military forces in checking the independence movement in French Indo-China and disregarding the writing so clearly inscribed on the wall during the hectic year since V-J Day, French imperialism is on the march again, this time with Siam as its target. Press dispatches of the past week, after openly stating that France might take military action against Siam unless the latter "voluntarily" returned the disputed provinces in Indo-China, revealed that a gunboat and two LSI's (landing ships, infantry) had moved up the Mekong. Following that cryptic announcement, a veil of silence has descended.

History, it seems, is bent on repeating itself. What is going on down Siam way, the silence notwithstanding, is easy to picture. It is nothing new. It is, in fact, almost a century old, for it was around about 1860 that France started muscling in on Siam and by shameless application of the gunboat policy obtained concessions which only served to whet French appetites for bigger and better colonies. With the naked muzzles of her gunboats' guns significantly trained in the general direction of the royal palace, treaties yielding rich areas were ludicrously easy. The land of Thai (Free) shrank: France's colonial empire grew.

We have known for a quarter of a century that the war "to make the world safe for Democracy," otherwise known as World War I, was a complete flop insofar as achievement of its idealistic aim was concerned. Kaiser Wilhelm II, subsequently the woodcutter of Doorn, Holland, gave way in time to Hitler, to rid the world of whom World War II was fought. The Four Freedoms triumphed in theory, anyway. And in place of the League of Nations, there came into existence, a year ago, the United Nations.

Yet, despite all this, France, who knew the horrors of war full well, is announcedly on the warpath. Her experiences as the battlefield of 1914-18 her collapse in the Blitzkrieg of 1940, her sufferings during the years of bombings which preceded the landing in Normandy and in the bitter fighting which resulted in the liberation of French soil in 1945, all apparently have gone for naught. So well, in fact, has La Belle France recovered from her batterings of the last three decades that she seems determined today to involve herself in another imperialistic war.

That this is so is evidenced by the United Press dispatch from Washington last week, saying a French diplomatic source had declared, in replying to the Siamese statement, that Siam is not at war with France, that the French consider themselves at war, firstly, because the Siamese had *stolen* their provinces from Indo-China and, secondly, because Siam was a satellite of Japan *while France was at war with Japan*. That word "stolen" is hard to take—the italics, of course, are ours.

Just as astounding is the statement that France was at war with Japan—that it was while she was so engaged, presumably in a life and death struggle with the Nips, that Siam horned in and *stole* provinces—areas that once had been part of the Kingdom of Siam! This would seem a little worse than the pot calling the kettle black. The Japanese, it may be added, did not discover that France was at war with the sponsors of Asia's "New Order" until some time in 1945.

It was in 1940 that France, blitzed by the Nazis, yielded to Jap military pressure in Indo-China, where her large garrisons were allowed to retain their arms under Vichy pacts with Tokyo, negotiated, of course, at the point of the bayonet. Siam knuckled to the Japs, too—did so, in fact, rather gladly inasmuch as one aggressor allowed

her to reclaim from another territory that had been wrested from her, likewise at gun point.

Unquestionably, the way of the transgressor is hard. Little sympathy is being accorded Siam in her present troubles with France for the simple reason that she was a satellite of Japan. But she had as much choice as French Indo-China. Where France errs, and errs badly in her judgment of world opinion in this enlightened age, is in talking war. The world is too fed up with fighting to listen to threats of military aggression. And in a people as renowned for their tact, diplomacy and good taste as the French, talk of sending her Indo-China forces into action against Siam is ridiculous in view of those same forces' failure to do anything when the Japs marched in and browbeat them into letting Japan convert France's Far Eastern colonial empire into one of the springboards for the Pacific War. Both Malaya and the Philippines suffered directly from French—and Siamese—acquiescence.

The same United Press dispatch added that France had withdrawn her offer to have the World Court mediate the border dispute due to attacks on Siemreap in which, France claimed, Siam was implicated. Siam has officially denied this, shifting the blame to the Vietnam insurgents. Siam also has withdrawn her application for United Nations membership due to her failure to arrive at a settlement of her differences with France. The step probably was taken because the Siamese realized that France could defeat the application by use of the veto, France's privilege as one of the Big Five.

On the excuse of Siamese aggression, France thus has rejected mediation. She prefers direct military action. One little warship accompanying two LSI's presumably bearing a landing or punitive expedition has been sent to intimidate the Siamese. Siam will knuckle, but France's triumph will be as empty as it may be shortlived. Asia is on the march toward independence and freedom. And no success gained via the out-of-date gunboat policy, we feel safe in predicting, can endure.

The Philippines have won their freedom although Uncle Sam is keeping a half-nelson on the island economically for the next 28 years. The British colonies have not fared as well, but they are gaining more and more of a voice in their own government.

The Netherlands' troubles in her East Indies are not over, the Indonesians continuing to make headway toward a greater degree of independence. Taxation without representation, like the gunboat policy, is obsolete. France's struggle to keep her colonies will be watched with the greatest interest in China, and elsewhere. Her guns may win out today, but they are doomed to eventual failure. Accordingly, interest will focus on developments tending to reveal the crumbling of another attempt to maintain sovereignty by force of military power.

Good Omen?

In the White Gown Nunnery in the outskirts of Ya-An, Sikang, a 100-year-old fern tree has just bloomed for the first time since the latter part of the Ching Dynasty, when the Empress Dowager was on the throne. The local populace, according to Chengtu's Chun Kwoh Jih Pao, views this as a good omen. A good omen for whom or what, the paper failed to say.

A Warning of Nazi Conspiracy

SENATOR Kilgore's warning that Nazi die-hards are plotting another war of aggression might be dismissed as sensationalism except for two things: 1) the fact that the Germans did the same thing, and successfully, after their apparent total defeat in 1918; 2) the fact that the Kilgore committee has reams of evidence pointing to a conspiracy for a third attempt at world domination.

Such warnings as Mr. Kilgore's are needed to keep the nation vigilant and prepared. Occupation policy in Germany is weakening, because of apathy and the failure to send sufficient troop replacements. Surviving pro-Nazis are moving to take advantage of this laxity, and they have large amounts of assets hidden abroad for use when Der Tag comes again.

Valuable as the Kilgore committee's services are, in this necessary task and others, they are doomed to end if the Senate Audit Committee goes ahead with its intention to hamstring or abolish this useful agency by sharply reducing its funds. Too few spokesmen are sounding the essential note of "Lest we forget," which is needed to save America from the fateful consequences of its postwar letdown. Surely all who realize the necessity for completion of the Kilgore agency's huge job of exposing the Nazi conspirator will insist that the Audit Committee withhold its destructive hand.

25 Years Ago In Millard's Review Of The Far East

Sept. 10, 1921.

Vladivostok Wanted

Important negotiations are proceeding between the Japanese and the Russians at Dairen with the object of concluding a treaty.....The return of the control of Vladivostok has been asked by Mr. Youin (representing the Far Eastern Republic). That port is of vital importance.....being one of the Far Eastern Republic's three outlets to the sea, namely, Dairen (which is under complete Japanese control), the Amur River (which is patrolled at its mouth by Japanese warships), and Vladivostok, (which is under Japanese control, at least temporarily).

* * *

Missionary Influx

Among the record list of missionary and Christian workers brought to the Orient by the s.s. Empress of Asia September 2, the largest group was that of the Methodist Episcopal Church, South, numbering 40.

10 Years Ago in The China Weekly Review

Sept. 5, 1936.

History Rewritten

In "synthetic" text-books in East Hopei designed to denationalize young Chinese.....the Japanese authorities have not hesitated to change history.....One historical reference to Korea (which is termed "independent") said there were two parties, "the old and the new." According to the version in the text, Japan "helped the new party while China helped the old party." This resulted in civil war in Korea, the result of which was Korean independence from China.

* * *

Europe In Turmoil

Europe is being shaken at both the eastern and western extremities, with the result that the masses in the countries in between are in a state of great anxiety. In Spain a civil war is being conducted with astounding barbarity.....In Russia, the party in power, which means Stalin and his supporters, is engaged in what is euphemistically called a "purge."

More Democracy Needed In Schools Of China, Japan

By J. B. POWELL

Tokyo, Aug. 23.

EDUCATION in the Orient, in both Japan and China, requires large doses of democracy, but how to apply the remedy is puzzling a large number of highly-placed educators in the United States as well as in the Orient where the problem exists.

Realizing what happened to education in Germany and elsewhere in Europe following World War I, there is a feeling that something drastic should be done to head off similar tendencies in the Far East following World War II. That the character of education provided for millions of Asiatic children in the immediate future will have a considerable bearing on the matter of war or peace in the countries about the Pacific, is axiomatic.

Some years ago I visited several primary schools in the Kobe district, arriving at some of the schools early in the morning as the children, all boys in uniform, were arriving. I was struck by the fact that the little boys, with clock-like precision, as they entered the school room, stood stiff as ramrods and bowed deeply from the waist. They were not saluting their teacher as one might expect, but a photograph of the Emperor enclosed in a glass-covered case above the teacher's desk. After uttering a brief prayer the children would then greet the teacher and proceed to their desks.

Changes Effected In Japan

I was told that in case of fire, a frequent occurrence in Japan's wood-and-paper built houses, it was the supreme obligation of the teacher and students to save the photograph of Hirohito at all costs, even the life of the teacher. There were many cases where teachers suffered terrible burns trying to save the photographic likeness of the Son of Heaven.

Recently, on my present visit to Japan, the principal of a school in the suburbs of Tokyo, told me that the children in one of the rooms suddenly interrupted a class period by singing a popular song. When the teacher finally restored order he demanded the reason for the musical outburst. The children replied, in one voice, that democracy now prevails in Japan and "we have a right to sing whenever we feel like it." It was no coincidence that they had selected a particularly difficult class period for the musical demonstration.

Two reports are now available dealing with the educational situations in Japan and China respectively and they present, among other things, many amazing contrasts in educational objectives of the two countries. It is significant that the systems of education in Japan and China though in violent contrast with each other, contain many fundamental elements which are in direct opposition to democratic practices in education which prevail in the United States. In neither Japan nor China did the education systems as developed in the past quarter century, show any traceable evidence of American democratic influence as one might expect would have resulted from long-standing Christian missionary endeavor in both countries.

Leaders Glorified

In Japan the outstanding characteristic in the educational system was fascism, embodying glorification of the state and Emperor. In China the educational system, borrowed originally almost wholesale from Russia in 1927, has as its chief characteristic the glorification of the Kuomintang Party and its leaders, the late Dr. Yat-sen, founder of the Party and the present leader, Generalissimo Chiang Kai-shek.

Now, as a result of developments growing out of World War II it is necessary for both China and Japan to reorganize their educational systems in the direction of democracy.

With reference to the two reports dealing with the respective educational systems of Japan and China, the Japanese report was written by an American educational mission of 27, headed by Dr. George D. Stoddard, which visited Japan early in the present year and after a month of intensive study submitted its findings in the form of a 69-page report to General of the Army Douglas MacArthur. The report has received considerable attention in educational circles in Japan where the reform of the educational system has become an urgent necessity as ordered by the Supreme Commander. Several high Japanese military officials are now on trial for their lives on charges of having led their nation astray educationally prior to and during the war years.

Screened And Purged

In addition there has been a drastic purge which involved the "screening" of more than 15,000 teachers suspected of harboring reactionary thoughts concerned with the old order in Nippon.

The report on education in China, though unofficial, is equally interesting. It was written by a well known American missionary educator, Dr. M. S. Bates, of the University of Nanking. The report was printed in the magazine Pacific Affairs but probably has not been widely read in China.

Aside from the "screening" of teachers other reforms in Japanese education ordered by General MacArthur include wholesale revision of school books and elimination of a publishing system which permitted widespread graft among officials of the Ministry of Education. Another reform was the wholesale elimination of Japan's "mythological" history instruction, which taught the theory of the miraculous origin of the empire, from the school curriculum. Further drastic reforms include abolition of geography texts which inculcate the idea of Japanese world domination. All books and passages teaching emperor-worship were banned.

These reforms were ordered and partly put into effect before the arrival of the American Educational Mission, which concerned itself with the problem of eliminating bureaucratic control and decentralization, and placing the management of primary schools in the hands of local committees rather than in the hands of Tokyo bureaucracies.

Courses For Teachers

The American committee recommended that the school system be restricted to three grades, primary, secondary and university, that the so-called collegiate grade and teacher-training normals be abolished. The reason for the abolition of the normals was due to the fact that they had been controlled by the Army General Staff and used for spreading reactionary military doctrines throughout the school system. The universities will give special courses for teachers in the future.

Attendance is to be compulsory for the first nine years and there is to be no charge for tuition in the grades under the universities. Co-education, heretofore unknown in Japan, is to extend throughout the system.

Unfortunately, a recommendation in the report to the effect that the Japanese language be "romanized" and taught in the schools monopolized public attention when the report was first published. Actually there is nothing new about romanization or "Romaji" as the Japanese call it. There has been a romaji association in Japan for many years and books and magazines have been published in romaji instead of the native ideographs or characters which were borrowed from China. A similar movement has been inaugurated in China, but as in Japan has made little progress.

The Japanese Cabinet on August 11 announced the appointment of a so-called Cabinet Committee of 50 members to cooperate with the American Committee in putting the proposed reforms into effect.

China System Hard-Hit

Education in China suffered grievously in the 10 years of war with Japan which began with the Manchurian Incident in 1931. The large Chinese Northeastern University at Mukden, capital of Manchuria was closed and the students scattered to become beggars or propagandists for political factions. All Chinese educators in Manchuria were driven from that area and all schools, including missionary schools closed. The only schools permitted to operate were Japanese controlled and used to train Chinese clerks for official Japanese administrative organs. According to Dr. Bates' report, education for Manchuria's 35,000,000 people since the Japanese occupation has been a complete blank.

Unfortunately China has not been

visited by an impartial educational mission such as came to Japan, hence we do not have available any definite program of recommendations. Dr. Bates' report merely deals with present conditions, following the war. He said that there have not been any reports from large areas for at least nine years. In large sections, controlled by the puppets, there was no formal education because the Japanese would not supply the puppets with any educational funds, due largely to mistrust. However, the Chinese residents themselves managed in one way or another to maintain some sort of education, usually surreptitiously.

Red Party Lines Followed

With reference to areas controlled by the communists, Dr. Bates referred to the red educational system in the following words:—"Special inquiry concerning education in the communist zones has failed to find any program or practice of special merit. Education at the communist headquarters at Yenan in northwest China follows narrow party lines and has not gained wide respect among the Chinese, although it has aroused some sympathy among foreigners."

The inflationary currency situation has produced special problems concerned with the payment of teachers. In many boarding schools the pupils must pay their tuition, school and laboratory fees with rice, with special quantities of other foods for the faculty members. Most teachers are compelled to do outside work in order to eke out a bare existence.

There has been widespread destruction of school buildings. Destruction of missionary schools alone amounts to more than $3,000,000 in U.S. currency. China's bill for losses suffered by her educational plant resulting from the Japanese invasion has not been disclosed, but probably will be included in the reparations account. At least a half dozen large universities were completely destroyed, including Tsing Hua, the Boxer Indemnity University at Peiping, which represented an investment of US$25,000,000. Other schools destroyed included Pei Yang University at Tientsin; Kwang Hwa University, National Engineering Institute, and Labor University at Shanghai.

Need For Schools Great

Lack of a census makes it impossible to provide accurate figures regarding the student population or literacy. There are thought to be approximately 25,000,000 students enrolled in the various types of schools. Literacy among the older type boys runs from 30 to 50 percent. Among girls literacy does not exceed 10 percent of older girls. Dr. Bates estimates the country needs 640,000 primary schools to accommodate 38,400,000 pupils. Today there probably are not more than 270,000 schools with 19,000,000 pupils. There is tremendous need for normal schools to train teachers.

He said there has been under discussion a so-called five-year plan of educational expansion for which there is little or no money available. Chinese educators are involved in serious arguments concerning the relative merits of vocational education as opposed to cultural education. China requires some 4,000,000 technically trained men for her planned development program, including industry, transportation, agriculture and health services. Taking advantage of a provision in Lend-Lease, China sent about 1000 students to the United States in 1945-46 for technical training in our schools and factories.

KMT SCHOOLS SCORED

With reference to schools which are under Kuomintang party direction, Dr. Bates said they are largely used for inculcating party political ideology, party organization and party personalities. He declared, "Millions of Chinese children have been taught that the Kuomintang Party is the alpha and omega of Chinese society. Party teaching has greatly handicapped genuine citizenship training." Dr. Bates also claimed that instruction in the Kuomintang schools had been responsible for the spreading of serious misinformation about other countries. For example there is a passage in one text referring to the United States which alleges that the native American Indians "have become extinct due to the oppression of the whites" and that the blacks are "rapidly being exterminated."

With reference to Europe one of the texts, quoting Dr. Sun's San Min Chu-I, said, "Europe is aggressive without justice—Russia fights for justice and right and helps small oppressed nations, especially in Asia." Referring to Europeans generally one of the text books declares that "all Europeans are hairy people who have not developed culturally." One of the Kuomintang texts refers to Great Britain as the "most powerful nation in the world and oppressor of the brown races of India."

Democratization Urged

Summing up Dr. Bates strongly recommends that the Chinese government immediately renounces all party politics in education, and democratize her entire system and make it accord with modern world tendencies. He urges that the treasures of China's past world-wide humanitarian values of thought and morals should be revived and preserved in the educational system. "Finally," he said, "the minds of the Chinese people should be set rigidly for the outlook of 1946 instead of the outlook which prevailed in 1860-1880. He deplored the fact that moral training had been neglected in a country where for 2500 years cultural development had been the outstanding characteristic. However, he admitted that moral values had been maintained to a certain extent in the home training given Chinese children who are taught their morals with their first lessons in reading and writing.

Dr. Bates thinks China's greatest problem is concerned with an immediate expansion of her educational system in order to reach the millions of children now coming into school age.

U.S. Pushing China Trade Plans Despite Threat Of Civil War

By JAMES L. STEWART

Los Angeles, Aug. 16.

THE paradoxical nature of American thought toward China continues. Whereas the gloomy news of continued strife in China is fully reported in West Coast papers, business interests continue to plan for heightened trading activities.

The day following publication here of the Marshall-Stuart statement, the U.S. Martime Commission announced receipt of two separate plans for a great increase in American shipping services to the Orient.

Great Opportunity Seen

More noteworthy of the two plans was that of the Grace Line which asked for authority to operate ships to Far Eastern ports without government subsidy. The president of the Grace interests spoke of "a great opportunity presented to the shipping industry of this country," to meet which he announced that his firm wished to operate without subsidies and opposed any additional subsidized lines.

Grace vessels would sail from San Francisco via Los Angeles to Manila, Cebu, Hongkong, Shanghai, Kobe and Osaka.

The other plan was submitted by nine firms which asked for subsidies to extend their lines into the Pacific trade. The reasons given for their new plans included the presence of new industries on the American West Coast, the probable rehabilitation of Japan and anticipated development in the China trade.

In general, all the shipping lines take the view that someone will replace Japan's extensive pre-war shipping services and wish to make sure that American rather than European vessels move in.

Early Decision Awaited

The Maritime Commission has not announced its decision on the subsidy proposals, but since hearings have been concluded, early action is anticipated.

The local Los Angeles Times continues to present highly original views on the nature of China's difficulties. In a lengthy report from Shanghai, the paper's correspondent, former Navy Captain Waldo Drake, stated categorically that most of China's troubles were caused by Russia whose actions in Manchuria prevented the northeastern area

from becoming the granary of all China.

Two days after this dispatch was published, the Times printed a special article by one Theodore Hsien Chen of the University of Southern California, who asked for continued peace negotiations in China with Russia taking part officially.

"With Russia taking part officially," Dr. Chen stated, "there would be two mediators instead of one, and each side would have a trusted friend as one of the mediators."

Another War Foreseen

The Los Angeles Daily News has even less to offer of a constructive nature. Viewing the chaos in China and Palestine among other places, the editor this week came to the conclusion that another war is inevitable. Why? Because there are too many people in the world and besides, people actually like to fight.

Kwangtung: Paradise of Robbers, Smugglers, Corrupt Officials

By WANG DZOONG-YEN

ASK any Cantonese you know what he feels at the end of a year of peace, and you will find his answer summed up in one word: disappointment.

Politically, we are as far from democracy as ever. We have no popularly-elected governor. We have no popularly-elected magistrates. Our provincial and district councils are places where the representatives of the gentry, as distinguished from the people, learn to debate but not to exercise real powers for the simple reason that they have none. Our officials are people to be fawned upon and feared but not criticized.

Officialdom Corrupt

Judged by the disciplinary measures taken against the offenders, to say nothing of the public opinion, the officialdom must have been honeycombed with graft. In the course of a year scores of magistrates were removed from office, and detained for questioning or sentenced to imprisonment. One of the culprits sought to extort from innocent people living near a Communist-held village a fabulous sum of CNC$30,000,000, of which CNC$9,000,000 had already been paid before he was clapped in prison as a result of an indignant outcry raised by several generals and colonels.

The most sensational case, however, is that of Chow Yen-ming, director of the Canton Navigation Bureau, in which even Liu How-wu, special commissioner of the Control Yuan for Kwangtung and Kwangsi, was involved. Liu was supposed to have nothing to do with Chow, but his wife received from Chow's wife CNC$500,000, which the latter claimed was returned later. The sharp-eyed and sharp-tongued newsmen of Canton at once raised a howl: "Why accept it at all? And why the delay in returning it?"

APA, CNRRA Censured

The Alien Property Administration has aroused much criticism, and deservedly so. If the take-over officers are slow at work, they are certainly quick at grabbing. Under their administration, or maladministration rather, stores taken over quickly dwindle, goods deteriorate and valuables disappear. Machines were stripped of their conveyer belts, which were subsequently sold for rubber soles, and many factories that once hummed with life are now closed and barred, no wheels turning.

The Canton branch of CNRRA is perhaps the most corrupt imaginable —at least according to the Canton press which daily castigates the shameful administration with no effect. Under the manipulation of the unscrupulous bureaucrats, anything may happen. Relief supplies frequently vanish, milk powder turns into stone over-night and whole shiploads of long-awaited rice go down off the Delta of the Pearl River. In an outburst of indignation, a throng of citizens rushed to the office and tore down its signboard.

Draft's End Welcomed

If there are any government measures taken in the year under review and hailed as beneficial to the people, they are the cessation of conscription, exemption from land tax and the reduction of rentals by 25 percent for all tenant farmers.

For eight long years conscription had been a curse and a terror to the Cantonese peasants. What was actually enforced was not conscription but more often cases of extortion. Country squires and well-to-do people had no fear of the draft, for their sons were either students,

Take A Letter, Please

International Business Machines Corporation's Electric-Automatic Chinese typewriter promises to solve the slow drudgery of writing characters. Developed by engineer Kao Chung-chin in cooperation with IBM engineers, the machine can, in the hands of an experienced operator, turn out 40 to 50 Chinese words per minute. While still slow in comparison to an English-language typewriter, the speed record for which is 149 words per minute, the machine will be a tremendous time-saver for Chinese businessmen, IBM claims.

The machine contains a cylinder upon the surface of which some 5400 ideographic type faces are engraved, arranged in rows vertically and horizontally. The typewriter is controlled by a keyboard containing 43 keys. The 36 numerical keys are divided into four groups and any character can be placed in the printing position by striking one key in each group.

The characters are arranged on the drum in three groups, according to the frequency with which they are used. The first group, comprising 1000 characters, represents 90 percent of the ideographs used in ordinary Chinese correspondence. The second group consists of more than 3000 characters which cover less than 10 percent of normal usage. The third group is made up of the least frequently used characters which account for less than one percent of normal use.

teachers or officials, who were exempt from military service. Only the poor, illiterate and voiceless peasants bore the brunt of conscription. Large sums were often exacted from them by the pao and village chiefs, who threatened to take their boys away if the illegal levies were not duly paid. I can still remember the day when the Generalissimo's order stopping conscription reached here. It was a day of jubilation on the part of the peasants and of keen disappointment on the part of the conscription authorities and their greedy, relentless underlings.

Farmers Not Benefitted

The exemption of all lands from a year's tax was an unexpected boon from the government, but it benefitted the absentee landlords rather than the tenants. Moreover, it was not exactly an unqualified godsend. For almost immediately on the heels of the welcomed order came another that large quantities of cereals for feeding the army were to be requisitioned from the people, and the official price subsequently paid proved to be only from one-fourth to one-third the market price. In war-ravaged, famine-stricken Kwangtung, this measure was enforced despite bitter complaints and angry protests from the people.

So far as I know, the government order for a 25 percent reduction of rent has not been taken seriously by the landlords. Orders were duly issued by the district governments, editorials were written on the topic, and experts hailed the long overdue step with unwonted enthusiasm. But the landlords know what it is worth, and the tenants do not know even that such an order has ever come.

Reds Gone Underground

In Kwangtung, the Communists have comparatively little influence. They hold no cities; they have no strong forces. In July more than 2400 Reds were reported moved to Shantung. Yet it would be wrong to assume that the province is rid of the Communists. Underground Red workers are still numerous and active, especially in Hainan Island, where traveling, even if under armed escort, is considered by officials to be an adventure not to be undertaken without sufficient reason.

Highwaymen, bandits and pirates are causing havoc to the people. They organize themselves into gangs and go wherever they want. They raid villages and towns, plunder families, poor and rich alike, waylay merchants and travellers, and hold up bicycles, buses, junks and motor vessels.

Robbers Rampant

Even in Canton, robbers and brigands are startlingly rampant. The Chien Kuo Jih Pao reported that no less than 10 gangs of outlaws, totalling several hundred, are actively operating in the city. In defiance of the police and the gendarmerie, they are raiding gold shops in broad daylight. Cantonese merchants are scared to death and furious at the ineffectiveness of the keepers of the law. In trying to cope with the situation themselves, they are now planning to organize a militia at their own expenses and under their own command.

Communications are still poor. Most of the highways the government found it so difficult to destroy when the Japanese came are found to be still more difficult to rebuild. A concrete bridge takes millions of dollars; a good road tens of millions. The private motorcar companies, too, are hard hit by the war. While in pre-war days they boasted of hard surface roads and fleets of Fords and Chevrolets, they have little remaining now but a name.

Voyaging Unsafe

Voyaging on the rivers and the sea is far from safe and still farther from comfortable. Accidents, shipwrecks, piracy, slaughter and mine explosions are often reported. Many gangs of pirates, armed with machine guns and even small cannons, are merrily operating along the entire coast and around the Pearl River Delta. In view of the serious shortage of craft, unseaworthy motorboats and motor-driven sailing vessels are everywhere pressed into service. A friend of mine who took a trip from Macao to Kwangchowwan found himself knee-high in water in the cabin five hours after weighing anchor, and only through the cooperation of all the passengers aboard that the pumps were kept working and a leak in the hold was found and stopped.

Eight years of Sino-Japanese hostilities found many a man ruined and many a family scattered, but also many a small domestic industry budding and thriving. In the absence of imports, enterpreneurs strove to satisfy the local demand. Weavers did a roaring business; cigarette factories grew; gasoline and fuel oil were made from tung oil; wood oil replaced petroleum for lighting purposes; flour mills, man-driven or water-driven, hummed and soapmakers reaped good profit by putting on the market products of inferior quality.

Industries Hard Hit

Came victory, and came bad luck for the small industries with the exception of the spinning and weaving mills; all producers are hard hit. Foreign goods, especially American goods, are flooding the market, on which the producers look with consternation. The heaviest blow is dealt on the tobacconists, whose factories have mostly been closed down. Cheap petroleum and gasoline outsell their local substitutes; cheap milk powder embarrasses the local dairy farms; cheap canned goods make local bon vivants throw up their arms in wonder. In Canton, it actually costs less to live on Australian rolled oats than on Cantonese rice—something, unthinkable in normal times.

Foreign goods are sold cheaper in Kwangtung not only because the cost price is low but also because they are duty-free. Smugglers, armed to the teeth and in strong force, take no more notice of the Customs preventive officers than of gnats. Illicit goods pour in from different sources and in different ways. They come on the person of the smugglers, by parcel post, in airplanes and motor-driven junks. The illegitimate traders even have it in them to force the Customs to return to them their goods when seized, as was evidenced in the sensational seizure of CNC$20,000,000 worth of goods, which was subsequently released after the collection of the duty leviable, plus a fine of an equal amount.

Politics In Schools

Education in Kwangtung is picking up, but at none too quick a pace. Most of the schools, colleges and universities that moved back to their original seats are sorely handicapped by a serious shortage of books, equipment and funds. Most of the teachers and professors are faring scarcely better than beggars. The students, even in peacetime, lead a Spartan life. They are undernourished and underclad, and have great difficulty in obtaining textbooks. In some of the famous provincial middle schools, students of chemistry have never been shown a laboratory experiment for lack of chemicals, nor have students of geography taken a trip for field work.

The war between the leftists and rightists is carried on in the educational institutions. Students, especially college undergraduates, fight furiously with one another with the pen, the tongue, the fist and sometimes the dagger. Names are called; mud is thrown back and forth; and dark threats are carried out as well as uttered. A friend of mine who recently paid a visit to Canton forbids his son to enter the university. When asked why, he replied sardonically: "What can you learn there but internecine warfare?"

Good Old Days Recalled

It is a sad reflection that in one of the popular papers in Canton the rule of General Chen Chi-tang is recalled as the good old days. The redoubtable general was overthrown 10 years ago, and his government was neither honest nor efficient. But the people then were not so poor, the officials less corrupt, the peace better kept, highways extended, schools better run and smugglers less rampant. War, inflation, demoralization of the officialdom and a government unequal to the task set by the abnormal times make Kwangtung what it is: chaotic, unquiet and dangerously on the verge of bankruptcy.

—Barrow in Jersey Journal

Crisis Arises For Unpaid Former Municipal Police Officers Here

By ALFRED LEE

APPROXIMATELY a score of Europeans here, all of them former members of the Shanghai Municipal Police, have been put "on the spot" by their successors, the present day members of the Police Bureau of the Shanghai Municipal Government. The bone of contention is the place of residence of these ex-SMP officers, mainly apartments in the Majestic, Cosmopolitan and Avenue apartment buildings in the Bubbling Well district which officially are regarded as "Police quarters."

Each of these 18 faces eviction. In fact, they were given notice on August 16 to vacate their homes by the end of the month. Reason: the SMGPB requires the premises, all of which are down in the books of their luckless landlords as "former SMP quarters." The Police Bureau's needs are understandable in view of the current acute housing shortage. Heartlessly, however, no official recognition seems to be forthcoming of the present occupants' and their families' need of a roof and shelter. In an attempt to at least delay eviction, the 18 SMP officers sent a petition to Mayor K. C. Wu and this, it seems, has at least brought permission for the ex-police officers to remain temporarily in occupation of their homes.

Superannuation Not Paid

All of the score of ex-police officers involved in the present housing crisis are owed sums ranging from £1000 to £3000 by the National Government inasmuch as China assumed these obligations upon the retrocession of the former International Settlement and French Concession. In Chinese currency, the individual amounts range from some $13,000,000 to approximately $40,000,000, plus passage home.

These 18 are but a mere handful of the hundreds of former police officers and thousands of employees of other departments of the two defunct municipalities who have superannuation, retirement, home leave pay and passages and other claims against the Chinese Government, which took over these liabilities when it signed the rendition agreements of 1943 with the former extraterritorial powers, these agreements specifically providing that these claims of former SMC employees would be honored.

It is understood that the Executive Yuan has approved the majority of the claims long since filed, but has not yet been able to have the necessary funds appropriated. Many of these former municipal servants have been living on the border line of starvation and at present seem faced with no alternative than to wait, wait and wait. For the 18 who face dispossession, the situation is critical. Most simply have no place to go, their friends being in similar financial difficulties and living in cramped quarters which cannot be stretched to accommodate another family, however small.

Veterans Of SMP

These 18, mainly Russians, held ranks ranging from sub-inspector up to chief inspector and superintendent. They had served from 10 to 25 years in the SMP and were discharged at different periods of the Japanese occupation. The puppet Wang Ching-wei regime, eliminating foreign influence with the benevolent blessing of their Japanese masters, dismissed the last of these police officers in the spring of 1945. Some were evicted from the police quarters they occupied, but later were able to regain possession; a few even obtained leases in their own names. They declined their superannuation when it was offered at the Jap "official rate" of CRB $70 one pound sterling—today CNC$0.35!

In their petition to Mayor Wu, these men pointed out that most, if not all, of them desire to leave China and plan to do so after they have collected what is due them. At that time they will be only too glad to move out, a step impossible at the moment because of an understandable lack of funds. It is sad but true that today, the law notwithstanding, suitable accommodation can be procured—at a price. This fact tactfully is not mentioned in the ex-lawmen's petition. All the premises concerned, it should be noted, are not properties acquired by the SMG under the change of regime: the SMP merely were the former lessees and the SMGPB naturally fell heir to the leases to the premises with the change over.

In a number of cases, the hardship on the ex-officers involved is great as their homes were places they themselves had found and, later, under SMP regulations, turned over to the SMP as police quarters, the SMP being in the nature of permanent lessees. No question of ownership of actual property is involved. Only tenancy rights are.

Rents Outstanding

Matters came to a head last month when the landlords of the apartments concerned took action to collect rent that in some cases has been outstanding for months. While some had paid rentals at increased rates, others had not as the SMGPB reportedly had questioned the right of the landlords to levy increases. The gap between the landlords' and the SMGPB's figures is wide, in some cases from 300 to 400 percent. However, the figures, whether CNC$20,000 (SMGPB calculation) or $100,000 (landlord's assessment), are purely hypothetical as the disgruntled landlords haven't seen any money at all.

This point is made clear in the petitioners' letter to the Mayor for their information, obtained from the landlords, sets at naught the SMGPB claim that it had been paying the rent on the so-called police quarters "for almost a year." The SMGPB letter of eviction mentions that non-payment by the Chinese Government of superannuation is considered to be a separate question. It definitely is, of course, but it also is definitely the reason why many of these SMP officers still are here, most of them unemployed or doing odd jobs which provide a bare existence. Some recently have been released by the American armed forces, with which they had served as auxiliary police or in other capacities.

At any rate, their future is bleak. There is no prospect of immediate employment. Their ages range from the late thirties to early fifties and preclude their competing with younger men in many fields. Most are married and have families of from one to three children. They are "fed up" with inflation conditions and nothing would please them better than to be on their way either to their home land or some foreign country willing to receive immigrants.

Britain Aids Nationals

Former British employees of the SMP, it is known, have been helped by their government, which had loaned them up to £40 a month pending receipt of their superannuation from the Chinese Government. The Britons, moreover, in many cases have been found new jobs, in Hongkong, in Malaya, in England and with the occupation forces in Germany. These men are through with China and not likely, except under exceptional circumstances, to return.

The 18 faced with eviction, along with thousands of other former SMC employees, both high and low, have been reduced almost to indigency, the petition says, through non-payment of their superannuation following loss of their life—time jobs through no fault of their own. These former "faithful servants, who have contributed their little in the building of this huge Chinese metropolis," request Mayor Wu's kind intervention, not only in keeping the roofs over their heads, but also in seeking govment action to liquidate their claims, which, they point out, "would greatly enhance the prestige of China throughout the world."

In other words, for the sake of "face" alone—not to consider either the angles of justice or the plight of the countless families on the verge of starvation, as letters in the columns of the REVIEW and of Shanghai's dailies frequently have indicated—it is high time action is forthcoming in settling admittedly just claims that have been outstanding for more than a year.

An ironical angle, made illegal by recently promulgated SMG rent regulations, is that were the apartments and flats of the 18 ex-police officers sold in the current Shanghai fashion, the "key money" alone would more than satisfy their superannuation claims.

Terrorism, Economic Chaos Make Kunming's Unhappy Lot In Year

By PETER S. W. WANG

A YEAR has elapsed since the Japanese surrendered. Sadly, Kunming, like the rest of the nation, finds the current situation in China totally different from the one the people had pictured when the big news was announced and when a new and peaceful era seemingly was approaching.

Kunming still remembers vividly the day in which the Japanese representatives filed dismally aboard the USS Missouri and signed the Potsdam terms of unconditional surrender. That was September 2. Extras heralded the event and the Central Government declared September 3 the official V-J Day in China. Everybody was in a holiday mood. Victory posters and handbills went up on the walls and anything that stands. An unusually big one, displayed on the highest building in the main street, Cheng Pi Road, stood out most conspicuously. It read: "United we stand; divided we fall."

All public buildings were decorated with flags of the Allied nations, pictures of the Big Four's leaders, cartoons on events of the past and on things to come, all illumined by colorful electric bulbs. American GI's and Chinese pedestrians greeted each other with "Ding How!" On September 3 a mammoth victory parade in which perhaps 500,000 persons took part swept the city off its feet. The "Gooddess of Liberty" proudly held the "torch of freedom" high above the heads of the crowd throughout. The procession began at 7 p.m. and did not wind up until one o'clock the next morning.

Hoarders Disgorge

There was a sudden surplus of goods for sale following the victory. Thousands upon thousands who for eight years made their home in this city busily prepared for the long trek home and offered most of their belongings, mainly clothing they had brought in their flight from the coast, for sale at half the price they could have fetched in pre-victory days. Merchants and hoarders also disgorged goods they had tucked away for higher profits.

Prices in general were dropping. Amidst excited conversations of homecoming one usually heard lengthy discussions on China's reconstruction and future. Most of the underpaid civil servants and school teachers gave vent to their sufferings in the past eight years by spending somewhat freely what little they had managed to save up for the rainy day. They felt happy for the first time in many years when they learned that they were to get a victory bonus thrice their monthly income.

Unfortunately all our hopes, newly-gained confidence and happiness were rudely shaken to the very foundations when the deep suspicion and smoldering hatred between the Kuomintang and the Communist Party suddenly blew its top only two months after we had won the war. Things which appeared to have become better for a while began to deteriorate. Prices rose again. Old fears, forgotten and buried during the war years, were suddenly brought to life again in the minds of those who remembered the 10-year civil war in all its hideous forms, with greater vigor. All Kunming was enveloped in an atmosphere of fear and uncertainty, and terrors of all kinds made it almost unbearable.

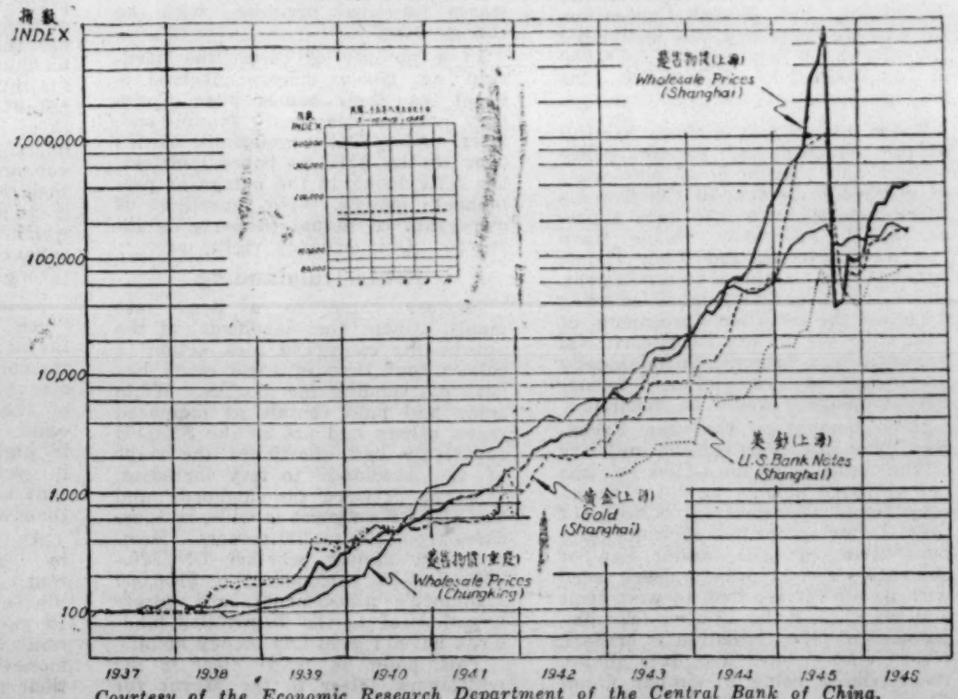
Lung Yun Ousted

Kunming, spared from the horrors of the fighting front, witnessed some real street fighting involving thousands of Government and provincial troops, when the Government forcibly removed Lung Yun as governor of Yunnan Province on October 3 last year. Using tanks and flamethrowers the Government troops made steady but slow progress against the poorly equipped provincials. The fighting continued throughout the night of October 3, and did not cease until more than 1000 provincials had been rounded up as being responsible for the "untoward" incident.

This was only a foretaste of grimmer things to come. There was the Kunming tragedy of December 1 when four students were killed and 10 others seriously wounded by Government troops. The Government did not punish the criminals, and, strangely enough, those responsible for the shooting (former commissioner of Civil Affairs Li Tsung-hwang, and former Garrison Commander Kuan Lin-chen, who ordered the shooting) were promoted. The four who fell were the first four martyrs of a democratic movement that has been going on here for a good many years. In reply to greater government suppression measures, an impressive funeral ceremony was held in April this year. Eighty out of every 100 pedestrians automatically joined the funeral procession. Others stood aside in silent respect while buses stopped and made way for them. As the coffins passed older men and women wept. The most eloquent of the banners carried by the marchers read: "Down with Kuomintang dictatorship!" From all indications the democratic movement in Kunming reached its highest pitch and expression at that time.

The reactionary cliques of the Kuomintang have come to regard the Southwest Associate University (Lienta) as the backbone of the democratic movement in Kunming, which is by far the most democracy-conscious city in China. They have been planning to wipe out if possible this movement. As soon as the last group of Lienta students left Kunming on July 11, Li Kung-pu was murdered. Four days later Professor Wen Yi-to met a similar fate. As a result all 13 leaders of the Democratic League, nine of whom were professors of Lienta, took refuge in the American consulate here.

CHUNGKING, SHANGHAI PRICES COMPARED



Courtesy of the Economic Research Department of the Central Bank of China.

KMT Organs Accuse Reds

Meanwhile, Kuomintang organs charged that the two Democratic League leaders were murdered by Communists because they were once turncoats of the Communist Party. The former chief attache to Lung Yun, Yang Li-da and more than 100 members of the Yunnan Police Administration were arrested as the responsible parties in the Li-Wen murders. Lung Yun, was mentioned as the ringleader. But it was all very clear, as well-informed sources here pointed out, that a scapegoat or scapegoats would have to take the blame.

Following the assassination of Li and Wen a reign of terror gripped Kunming. Those who read the New China Daily, the organ of the Communist Party, and other papers of the Democratic League came under suspicion of being leftwingers and were shadowed by the KMT Gestapo. Bookstores were ordered to sell no books on Communism or anything concerning the Democratic League. Forty-seven journals, including 13 Democratic papers, were ordered suspended as from August 3 by the Garrison Commander. The Garrison's central camp at the foot of Si Shan (West Mount) near Kunming is filled with more than 1000 prisoners, all of whom are political "thought" criminals. It is not unusual here to intimidate political opponents or ordinary civilians by accusing them of being Communists—and Communists usually go to jail.

Not only the freedom of the press suffers under these undemocrtic conditions, but the province's business and industry crisis due to lack of a sound economic policy are facing an unprecedented crisis. Cheap American goods are pouring into Kunming, while the government continues to impose heavy taxes on locally manufactured products. What with high wages and labor disputes, most of the factories in Yunnan find it impossible to compete with imported goods. One year ago we had about 100 factories in and around Kunming, which were engaged in the making of cigarets. Now there are only five.

Farmers Still Burdened

President Chiang declared after the Victory that farmers were to be exempted from taxes in kind for one year for their sufferings and contributions during the war. Today his word has been broken. Yunnan alone has to give to the Central treasury 1,725,000 piculs of rice to foot the civil war. This is a heavy burden on the farmers who had given more than they could afford in helping finance the war against the Japanese.

In any event it is hoped that the Kuomintang and Communist Party can effectively work out some solution to the existing differences, halt the fighting and form a coalition government at an early date. Otherwise, not only Yunnan, but all China, faces a gloomy and hopeless future.

Currency Revaluation Imperative In Many European Countries

By ERNEST D. STRAUSS

THE American weekly "World Report" presents a highly interesting tabulation of the official and unofficial rates prevailing for the American Dollar in the various European countries. Here they are ("Free Market" rates in brackets):—

England	s/ 4.95 (6.67)
Holland	Fl. 2.65 (5.40)
Belgium	BFRS. 43.83 (80.—)
France	FRS. 119.107 (310.—)
Switzerland	FS. 4.30 (3.55)
Germany	R.M. 10.— (400.—)
Austria	S. 10.— (150.—)
Czechoslovakia	K. 50.— (125.—)
Poland	Zl. 100.— (430.—)
Italy	Lire 225.— (315.—)
Spain	Pes. 11.08 (25.5)
Portugal:	Escudos 24.6 (No black market) (0.00)
Sweden:	K. 4.20 (3.00)
Denmark	K. 4.79 (10.—)
Norway	K. 20.12 (No black market)
Finland	Finmark 136.— (400)
Yugoslavia	Din 50.— (200)
Rumania	Lei No official rate (61,000)
Greece	Drach. 5000.— — (5800)
Hungary	Pengoe 5.13 (800,000,000)
Turkey	Turk £1.32 (1.87)

This table shows how far the official quotations have lost all touch with reality, and tells its own story about the workings of the principle of managed currency.

At the same time, it casts some light on the curious behavior of those money markets which seem to have sprung up nearly everywhere and which officialdom all over the world persists in calling "black."

It would be an erroneous conception that these money markets, just because they are free from official interference, reflect a true picture of the economic conditions of the different countries and of the buying power of their respective currencies. Close observers agree that in most places they lag considerably behind the movement of the commodity pricees or, in other words, that the amount of goods a U.S. dollar will buy is lower in war-stricken Europe than in unravaged and prosperous America.

Conditions of scarcity of certain goods and in certain places account of course for part of it. Another component lies in the fact that both supply and demand in the "black" markets are to some degree artificial. Many of the above-mentioned countries have not yet established anything in the way of regular trade relations with the outside world. So the supply is often furnished solely by the spendings of the occupation forces, and the demand by what the same officialdom is wont to decry as hoarding and what is actually nothing but the age-old function of all real money, to serve as a reasonably secure investment for idle funds until they are needed. But the purely monetary factor in the equation must not be overlooked.

All European currencies rotate around the U.S. dollar in orbits which in some instances are fast approaching astronomical dimensions. But the dollar itself is no longer the fixed star of old. It has started moving. There is no reason to disbelieve the reiterated assurances that the dollar will not be devaluated. Instead, it depreciates abroad. The extent of this depreciation is expressed in the free market rates of the monetarily sound neutral countries, Switzerland and Sweden (the latter has in the meantime made it official). The markets of the weak countries have a more subtle way of registering it, through the discrepancy between the prices for foreign currency and the cost of living.

Yardstick Failure

This failure of the open market money rates to serve as a yardstick for the economic interrelations is of more than academic interest for the countries concerned. The revaluation of at least those of the European currencies which have lost all touch with reality, cannot be much longer delayed. It is necessary for practical reasons, for the reconstruction of the national economies and for building up a modicum of world trade. But it is also indispensable for the putting into effect of the Bretton Woods monetary agreement which, in order to operate, must have realities to deal with, not fictions. However, in readjusting these currencies to the dollar, which is the recognized standard currency, it will be hardly possible to go beyond the open market quotations. Under the prevailing circumstances, this may have for these countries the consequences now visible in China, making countries which have every interest to be "cheap" into "expensive" countries, favoring imports and hampering the much-needed exports.

The situation in this respect is almost the reverse of what it was during the Austrian and German inflations following World War I. Then, too, commodity prices skyrocketed, but not in terms of foreign currency. The money markets, if anything, then kept well ahead of the cost of living. Stabilizing the disbased currencies on the basis of the market rates brought immediate recovery, and was an incentive to the revival of trade and industry. Now the disease seems to have affected, in varying degrees, all currencies. They are all groping for a new equilibrium, and it may take considerable time before it is reached.

A revaluation of some of the European currencies may be forthcoming in the not distant future. But it is easy to foresee that it will not be the last one.

Field Team Successful: Kwangtung Reds Moved To Shantung

By CAPTAIN THOMAS A. WATSON, USMCR

Tientsin, Sept. 1.

CHINA'S strange internal war is not one of armies and fronts, of swift communications and grand maneuvers. It is a war of railway bridges, mine shafts, mountain retreats and isolated villages. It is highly developed guerrilla warfare.

The National Government has built a large army which in structure resembles a western army, but because of the deplorable state of communications in China it is almost impossible to employ it as such. The Communists, whose guerrilla activities furnished disturbing opposition to the Japanese occupation, cannot risk open engagements but must limit themselves to hit-and-run tactics. In the roadless interiors of China any disciplined group which can maintain itself upon the land and secure ammunition for its weapons may exist indefinitely.

Anti-Japanese Column

Such a force was the Kwangtung East River Anti-Japanese Column, a well organized guerrilla command which operated throughout the war in the East River basin and rugged hills of central Kwangtung Province. A Communist organization numbering at times as many as 10,000 armed men and women, it fought well against the Japanese, returned many American fliers who crashed in the Canton area to their bases and received letters of commendation from General Joseph Stilwell and General Claire Chennault.

While there was a common enemy the people of Kwangtung supported the Column and protected its roving bands. When the war with Japan ended, however, and Tsang Sheng turned his guns against the Nationalist troops they withdrew their aid. The patriots became outlaws who must exact the support once freely given. Illegal taxation, blackmail, kidnapping and brutal robbery threatened to collapse the economy of the district. Seven divisions of National troops were necessary to contain the guerrillas whose number had shrunk to about 400.

The seven divisions contained but could not destroy the guerrilla force. The situation became intolerable, so the Chinese resorted to a method they knew well. They struck a bargain. Would Tsang Sheng agree to allow his force to be moved to the Communist-controlled Province of Shantung, if transportation were provided and protection guaranteed, for a certain consideration? He would. His counter demands specified, however, that these guarantees be substantiated by the presence of an American truce team. The Canton mission of Executive Headquarters Field Team No. 8 began.

Field Team No. 8

Early in April General Marshall's Executive Headquarters in Peiping sent Special Field Team No. 8 to Canton. Headed by Colonel Paul R. M. Miller, USA, it had National Government and Communist Party members. It would work directly with General Chang Fa-kwei, Commanding General of Generalissimo Chiang Kai-shek's Canton Headquarters and General Tsang-Sheng, Communist Commander of the East River Column.

To assemble the scattered bands and march them to Tapeng Peninsula where they were to be embarked, three sub-teams composed of Americans, Nationalists and Communists were also formed. These were accompanied by a small group of hand-picked gendarme to police the march. Executive Headquarters asked Major General Keller E. Rockey, Commanding General, Marine Forces, China, for marines to head these teams.

Captain Albin F. Nelson, a former missionary; Second Lieutenants Edward A. Bailey, and George P. Jones; Master Gunnery Sergeants David Wasserman, and Theodore P. Croasdell; and Sergeant Salvadore C. Christy, were selected. Six marines to stop a bloody war, collect thousands of China's toughest guerrillas and march them hundreds of miles through seven divisions of National troops who hated the very sound of Communism. Crusty old David Wasserman, with nearly 30 of his 47 years in the Marine Corps shook his head, "Damnedest job I ever heard of."

They left Peiping April 25 in a battered C-47 transport plane, had luncheon in Hankow and flew south along the Canton-Hankow railway. During the afternoon they became hopelessly lost and made the first night landing ever attempted at a tiny, hill encircled airfield at Kowloon, just opposite Hongkong. The next day they reported to Colonel Miller in Canton.

June 30 Deadline

On May 25, after a month of planning and organizing, the three subteams left Canton with June 30 as the deadline for the completion of the mission. Captain Nelson and Sergeant Christy with their team in trucks started north into the mountainous country. The other two teams left by boat on the East River. Lt. Bailey and Sgt. Wasserman were assigned the country south of the river, while Lt. Jones and Sgt. Croasdell were given the northern half of the East River basin. The rugged territory to be covered embraced thousands of square miles.

Each team established a central concentration point in its district to which all of the Communists would be drawn. The three columns would then converge on Tapeng when they were convinced that no armed guerrillas were unaccounted for.

The procedure followed after selecting the principal collecton points was agreed upon in Canton and with minor variations, due to local causes, carried out.

Going Tough

After a meeting had been arranged between the local National and Communist leaders, during which hours of argument were consumed before the simple proposals of the American member could be adopted, word was sent out to lesser Communist leaders by small liaison parties bearing posters, proclamations, food and money. Food and money were supplied by the National Government.

Captain Nelson's team soon left their trucks far behind as roads dwindled to burro paths which led to swollen rivers rolling over the wreckage of once-sturdy bridges. Leaving their luggage with bearers to follow, they traveled to the very boundary of Kiangsi Province on foot, horseback, on burros, small boats and even coolie-borne mountain chairs. They fought mosquitoes at night, ate meagerly along the road of K rations and eggs or dined magnificently with town magistrates. They slept in temples, mud huts and schools. The other teams found similar difficulties after leaving their slow river boats.

Local Claims Paid

The liaison team settled local claims against their Communist

charges. Typical of such claims was that of the wife of the Elder Ma Chi-ou. Her husband had been kidnaped by the Communists who had collected more than CN$1,000,000 and still had not returned the Elder. Return of this amount and a further settlement had to be made when it was learned that unfortunately he could not be returned because he had been shot while trying to escape. One man had lost three generations from his family in one night, his father, brother and nephew. Another had lost his oxen. All had to be paid, with prices higher for oxen than for men.

They paid off soldiers who had been enlisted locally and others who chose to remain in Kwangtung. No one was forced to leave. Each soldier received CNC$40,000.

They burned the rifles of soldiers mustered out. Sergeant Christy told of seeing Japanese, Belgian and Russian weapons; there were American Springfields and Thompson submachine guns, and there were 50-calibre machine guns from American and Japanese planes which had fallen into the area. The edict was strict: those to Shantung kept their weapons, those who mustered out relinquished them.

Comrade vs. Sergeant

There were incidents. One young comrade refused to give up his Thompson and placed its muzzle squarely in the middle of Christy's stomach when asked for it. The sergeant's eight years of training and his experience with tougher foes at Guadalcanal and Cape Gloucester in South Pacific enabled him to relieve the astonished Communist with little trouble. He then dismantled the sub-machine gun and threw the pieces on a blanket. "Put it together", he ordered. To his surprise not one of these people, and there were hundreds of them who had been using this weapon for years, could reassemble the piece. With the slightly turned down smile which every marine boot knows, the sergeant expertly put the gun together again and threw it on the fire.

They enforced the Cease-Fire order. National troops were ordered to remain at least two miles from the Communist concentrations or line of march. Also Communist outposts should not penetrate Nationalis country. Sgt. Wasserman talked fo. three hours on one occasion to prevent the lynching of a Communist officer who had wandered too far afield. Near the end of the march the success of the entire mission was threatened when the Communists surrounded two companies of National troops which had ventured too close. Captain Nelson arrived just in time to prevent the order which would have annihilated the lot of them on the spot.

Red Nurses

They innoculated every single Communist who made the trip. Lieutenant Jones described their medical discipline as excellent. They had little medical equipment and almost no supplies, but the 200 or more Communist nurses, each carrying a rifle and two bandoliers of cartridges, were on the spot whenever a man faltered or was hurt. That this was a rule of long standing was proved in the final examination on the beach at Tapeng. The Executive Headquarters surgeon said that not one man failed the regulation army physical.

They marched the remnants of the famous Kwangtung East River Anti-Japanese Column to Tapeng Peninsula. Bailey and Wasserman arrived first with 1500, Jones and Croasdell came next with 300 and Nelson and Christy led a sore and weary 925 men, women and small children into camp just one day before the deadline. Some of Captain Nelson's people had walked nearly 400 miles in impossible country.

Claim Sons, Fathers

On the beach they found that word had preceded their coming and hundreds of relatives and friends had collected from all over South China. They searched for sons, sweethearts, brothers and fathers hoping to persuade them not to leave but to remain with their loved ones. More than 300 chose to remain and were mustered out on the beach. There were 2400 ready to go and there were 12 hours left, but there were no ships in sight.

Communist leaders, with their troops in a highly vulnerable position, completely surrounded by Nationalists and bunched like sheep, spent many anxious hours peering out to sea through powerful glasses. They gave word that if the delay was prolonged they would take to the hills again.

Ships Loaded In Hour

Just as it began to appear that the entire mission might be lost at the very moment of success and the Communists scatter again to the four winds, four ships came over the horizon. There were three American LST's (Landingships — Troops) and the destroyer escort George. The LST's beached several hundred yards offshore on a shelf, and loading had to be made through waist-deep water. In spite of this, everyone was board, weapons, oag, baggage and children in just over an hour. The ships sailed for Chefoo, chief port of Shantung in North China. The mission was completed on the late afternoon of June 29.

Thus, in one of the strangest tasks ever undertaken by marines, a sore spot was removed from the troubled map of China. The people of Kwangtung may plant their crops, rebuild their bridges and travel on their roads. The Communists were returned to beautiful Shantung, which is controlled by their party.

Rice Rots In Tientsin

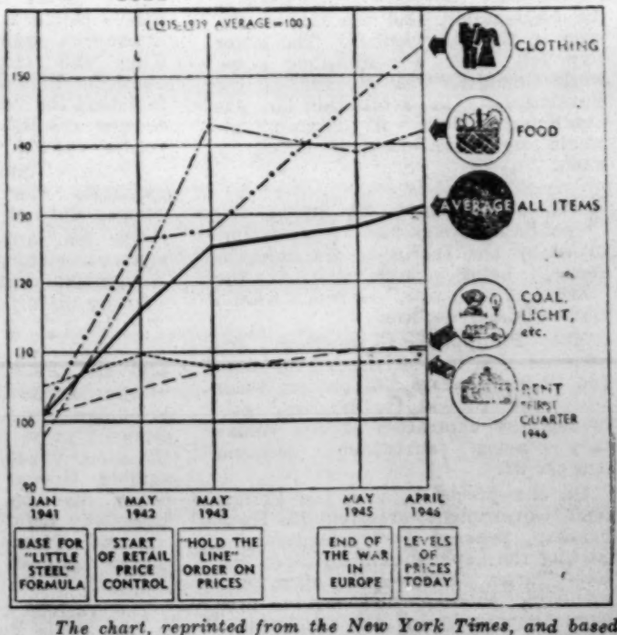
THE Commission for the Investigation of Takeover Operations, upon arriving in Tientsin, discovered that 2000 piculs of rice stored for winter relief were rotten and moldy. The Commission protested to Tientsin Mayor Chang Ting-ngo, saying that the rice entrusted to the Social Affairs Bureau rotted in the warehouse, but was immediately removed elsewhere when the Bureau heard of the Commission's arrival.

The Social Affairs, moreover, the Wen Hui Pao reported, warned all papers and magazines not to print news of this occurrence. This suppression of news was checked by the Commission and substantiated.

The Commission declared that "such a policy not only prevents us from obtaining information, but also obstructs our work, undermines the Government policy and violates the freedom of the press."

If anyone tried to play all the musical records made in the United States in 1946 he'd still be at it in the year 3946. That is a little over 300 million discs, which will be cut by that country's 100-plus record makers, some of whom are even setting their sights higher. Of the platters likely to be sold this year, about 80 per cent will be of the "pop" (popular) variety. Decca Records, RCA-Victor and Columbia still retain their business as the big three of the industry. Most of the records made are sold at from US$0.50 to US$1 each.

COST OF LIVING TREND—1941-1946



The chart, reprinted from the New York Times, and based on figures from the Bureau of Labor Statistics, shows five of the catagories used by the BLS in computing its cost-of-living index. (Not shown are household furnishings and "miscellaneous," the latter including medical care, etc.)

NEWS OF THE WEEK

Five-Man Sub-Committee Appears As New Hope In China Deadlock

ANOTHER attempt to settle China's crisis which cintinually threatens to break into full-scale civil war was made last week with the setting up of a five-man sub-committee which, it was said, would discuss the reorganization of the State Council without touching upon military problems.

The reorganized State Council is intended to replace the Supreme National Defense Council as the highest policy making body in the country. It was reported that the method of seat distribution would be in the 8-4-4-4 proportion. Half of the seats, i.e. 40, would go to the Kuomintang, and the other 40 divided equally among the Communist Party, the Democratic League and the Young China Party.

Communist representatives to the new committee were Gen. Chou En-hai, an old hand at negotiations, and Nanking Party spokesman Tung Pi-wu. From the Government side Gen. Wu Te-chen, Secretary General of the Kuomintang Central Executive Committee and Minister of Interior Chang Li-sheng were appointed.

The fifth member of the committee was United States Ambassador J. Leighton Stuart.

This week the members of the Committee met "for an exchange of views."

On the military front, the main events were the fall of Chengteh to the Nationalists and the fall of Tatung to the Communists. The latter city fell after a month-long siege, while Chengteh was captured by the Government "in retaliation for the Communist siege of Tatung," the whole operation lasting hardly a week.

* * *

THE newly born Philippine Republic last week had not much time to enjoy the fruits of its independence, being submerged in the "throes of civil war," as reports from Luzon Island declared.

The Philippine Government announced that it had rounded up some 200 liberal leaders "to protect them from the radical Hukbalahap," following the expiration of the voluntary arms surrender deadline August 31.

On the preceding day, the Philippine Government arrested 11 Hukbalahap, peasant party, leaders, including the nephew of the Huk leader Luis Taruc. Large-scale operations involving shelling and mortar fire, were reported in the mountains about 60 miles north of Manila.

Before hostilities broke out, President Manuel Roxas and Luis Taruc exchanged bitter letters, while the Government announced that it would "act with implacable force" to disarm the Huks. Taruc charged Roxas with having chosen war, instead of peace, while the former was charged with murder.

The situation came to a crisis when Luis Taruc and six other Democratic Alliance Congressmen were barred from the House of Representatives, while Taruc's pay was withheld.

Governor Gabrial Belmonte, of Nueva Ecija province, the scene of stiff Huk resistance, declared: "Lawlessness will be quelled by the Republic using planes, tanks, bombs and cannons, beginning in September..."

Secretary of Interior Zulueta echoed the governor: "The more armed men the government has, the more successful its policy, as lawless elements will think twice before causing any disturbances..."

* * *

KING George II of the Hellenes, who was until recently an exile, is expected to return to his throne, following the plebiscite returns which were announced early this week. Full particulars of the distribution of votes was not available and various sources quoted different figures. A most conservative estimate of those who said "aye" for the king's return was 55 percent of the voters, while other sources placed this percentage as high as 70.

The Greek Government ordered that penalties "for disrespectful utterances against the person of the King and Monarchy," be strictly applied. This was motivated by the fact that the "existing tolerance" had become unsuitable after "the people's verdict in the plebiscite."

The total number of voters in the plebiscite was recorded at 907,737. Women did not vote.

The ban ordered by the Government on victory celebrations by the Monarchists was observed and there were no disturbances.

* * *

SOVIET Foreign Minister Vyacheslav Molotov left Paris for Moscow, presumably to consult with his government in view of the complicated situation which arose with charges against Greece being a menace to peace, filed by Ukrainian Delegate Manuilsky before the Security Council, and Greece entering a counter charge against Albania on similar charges.

The various committees appointed by the Paris Peace Confab to work on the peace treaties and discuss amendments continued their deliberations.

Ivanoe Bonomi pleaded before the Political and Territorial Committee for revision of the Big Four decisions on Trieste. Reparations claims were filed against Italy amounting to more than US$20,000,000,000. Of these Greece demands US$6,000,000,000; Yugoslavia US$1,300,000,000; Ethiopia US$775,000,000; Britain US$11,520,000,000; and Russia US$100,000,000.

Only Russia can expect to get the full sum she demands on account of Italian inability to pay.

The Military Committee, meanwhile, discussing weapons to be retained by the ex-enemy states, decided to ban atomic weapons in these countries, but not atom research for useful purposes. Soviet delegate Gen. Slavin declared: "We must not stop the progress of the development of atomic energy for peaceful purposes."

Earlier in the Political And Territorial Committee, France received the much-debated Cenis Plateaux from Italy, while the demilitarization of Pantellaria and the Pellagian islands was agreed upon.

Rumania will pay Russia US$300,000 at gold parity over an eight year period for destruction carried out on Soviet territory.

* * *

IN the United Nations Security Council last week Soviet delegate Andrei Gromyko advanced the proposal that every UN member which still keeps troops and bases in non-enemy states was to report within two weeks from September 1; on their number and location.

His proposal was not included in the agenda.

Sweden, Iceland and Afghanistan were admitted into the UN while Albania and Outer Mongolia did not get the required seven votes out of eleven.

In the voting on the membership of Transjordan, Portugal, and Ireland, the Soviet Union invoked the veto power and the three countries were not admitted.

Australia abstained from all voting on membership applications, while in the case of the Mongolian People's Republic, China voted in favor, with the United States, Britain and the Netherlands casting votes against. China abstained from voting on the Albania application.

* * *

A summing-up was published by the the War Department in Washington on the occasion of one year of peace in Japan. Accomplishments were cited as follows: "Military machine destroyed ... 4,000,000 disarmed at home ... 2,500,000 abroad ... war industry brought under complete control ... the Japanese citizen no longer cringes in the presence of the police or other public authority: "his home has become his castle."

Among the accomplishments in the state of being accomplished were the liquidation of "vast corporate and personal vested resources of the 14 major families including the four Zaibatsu..."

The stranglehold which these interests held in close alliance with the

Government, "is being inexorably broken."

* * *

IN India, the announcement of the new Interim Government and the distribution of portfolios without the participation of the Moslem League, brought forth new disorders and riots. Moslems all over the country hoisted black flags of contempt for the new government, continuing their "hartal"—strike—against what their spokesmen termed "a conspiracy between the British and Congress for the exploitation of the Moslems."

Pandit Jawaharlal Nehru assumed the posts of Premier and Foreign Minister in the new government.

As the new ministers prepared to convene for their first official session, Ghandi outlined a vision of the India he would like to see emerge from the present uncertainty. "Too much industrialization in India is not necessary" he declared, although he admitted the necessity of key industries. On the whole, he favored nationalization of those industries "where many people work."

India should discharge her duty towards a groaning world by adopting a simple and ennobled life, by developing her thousands of cottages and living at peace with the world, Gandhi said.

In Bombay the death toll reached and passed 150 killed and hundreds of wounded. British soldiers stood by and dispersed the crowds where necessary, while police were forced to fire several times.

In Baluchistan rioting and incendiarism flared up, resulting in several killed and a number of injured.

In Dacca the situation was grave at one time, with 24 dead. The police had arrested since August 24, more than 300 persons and imposed a collective fine of £6000 on eight areas of the city.

* * *

AN unconfirmed report said that Yugoslavia had protested to the United States on the continued flights of American aircraft over Yugoslav territory, following the sharp incident two weeks ago. The report said that American aircraft were "infringing on Yugoslav territory" prior to the incident.

UNRRA Director General Fiorello Laguardia dismissed suggestions that UNRRA aid and supplies be withheld from Yugoslavia owing to the shooting down of American transport planes. He declared that "UNRRA is supplying aid under a clear mandate from the Council." Supplies sent to Yugoslavia by UNRRA totaled US$315,778,000 of the US$429,500,000 eventually to be shipped to that country.

Meanwhile, Acting Secretary of State Dean Acheson announced in Washington that the United States will claim indemnity from Yugoslavia for the shooting down of the two American transport planes recently.

* * *

WHILE the prospects for a National Home for the Jews did not even appear on the Palestine horizon, a ray of hope for a better life in Europe for some 700,000 Jews, who suffered immensely all during the war and prior to it, became a promise when the Rumanian delegate at the Paris Peace Conference met representatives of the World Jewish Congress and informed them that his government is considering the revision of Rumanian laws to give Jews equal citizenship and protection.

* * *

WHAT may eventually become an international incident—the detention of Chinese merchant vessels by the Netherlands Navy in the East Indies—caused the Singapore Chinese Chamber of Commerce to consider the boycott throughout Asia of Dutch nationals and business interests.

Chinese trading vessels and crews were recently captured and detained by the Netherlands Navy on routes leading to the Netherlands East Indies, where the navy maintains patrols against "illegal trading" between the Indonesian archipelago and the mainland. Vessels which are found to carry unauthorized cargo are escorted to the nearest port and there handed over to the civilian authorities.

* * *

NEWS emanating from Tunis indicate that this French protectorate has become the scene of another independence movement similar to those which have sprung up in almost every subject and colonial country following the end of the war.

Fifty-two Tunisians were arrested by the French authorities and this caused three-day strikes by the Tunisian Labor Federation, working from underground. The Association had been forced to take cover in 1938, when it was outlawed by the protectorate authorities, but continued to function just as efficiently as in legal times.

This is the first news of an independence movement in French Tunisia, which tends to fuse with other similar movements reported from countries in the Middle East and the Mediterranean.

* * *

THE Polish Corps which fought shoulder-to-shoulder with the Allies in Italy and whose members declined to return to their home country after the war, will be resettled in Britain, where it will be subject to British Military law.

The corps will not be armed and enlistment will be for a minimum of two years. Wives and families of the corpsmen will be settled near the camp of the corp.

Four thousand poles of Gen. Wladislav Anders' army will go to Canada for similar purposes.

* * *

HEAVY rains are reported to have caused the overflowing of the Grand Canal and the Communists charged that the Government intentionally kept eight of the 10 locks closed in order to allow the water to flood the Communist-held areas around the waterway. The main area of the overflowing is reported to be near the Hungtze Lake, south of Hwaiyin, in Kiangsu.

The Government declared that it should first be ascertained whether the Yellow River is able to hold the water from the Grand Canal prior to opening the locks. Gen. Chou En-lai ridiculed this statement pointing out the fact that the Yellow River had carried the waters of the Grand Canal and the Huai River for nearly 200 years. He declared that the local population along the Grand Canal in North Kiangsu was mobilized to strengthen the banks and CNC$1,700,000 has been expended by the local government for this work.

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What U.S. Papers Say . . .

AMERICAN newspaper editorial comment for the past week centered on the situation in China, India and the United States adherence to the world court.

* * *

CHINA

WE are skating on thin ice, indeed, in China, the *Chicago Sun* wrote. The joint Marshall-Stuart statement has not formally declared their mission a failure, but the statement suggests that only a great stroke of policy from Washington can save it, the *Sun* declared. "We have made our own troubles by failing to back up our words with deeds. President Truman last December intimated that the United States would give only conditional support to the Chiang Kai-shek regime, the conditions being a truce in hostilities and the formation of a coalition government." While General Marshall's mission rested on that premise, the *Sun* wrote, "we have been pouring military aid and millions of dollars into China on the side of the Kuomintang—unconditionally."

"Why indeed should the Kuomintang make concessions, the paper inquired, "when its reactionary leaders know that we were supporting them anyway?" The paper concluded the editorial by saying that the American withdrawal from China should be in the sense that "our Marines and our planes for training a Kuomintang army and our lend-lease military equipment" be withdrawn.

The *New York Times* declared that Communist statements and military moves do not necessarily mean that "China is about to be engulfed in a general civil war." The paper declared that these moves were part of a campaign to get the Marines out of China, and added that "the Communists still talk peace and pile up obstacles against it."

The *Kalamazoo* (Michigan) *Gazette* said that the Nationalist Government has "probably a good right to petition the United Nations for help" in the administration of the strife torn areas. The plan could fall within UN obligations to preserve world peace, the paper said.

The *Louisville* (Kentucky) *Journal* said that "one reads the news from China with a kind of shocked disbelief." The official statement of the two envoys declares that nobody wants war, yet "the civil war is all but inevitable.'" After describing the efforts of both Gen. Marshall and Ambassador Stuart, the paper declared that "one cannot but see that the burden or blame lies heavily upon Chiang. It is to him that we have given most of our assurances of economic help, depending only upon the extension of democracy. Our official relationships have been with him, and none should know better than he the point of our common struggle."

* * *

INDIA

The Moslem League has the possibility of making the interim government a failure or a success, the *Baltimore Sun* declared. The interim government, as it stands, does not "really represent India," since the Moslem League is not participating. Viscount Wavell has indicated that he is willing to give five places to the League if they so desire. "Thus, responsibility for taking or preventing a long step toward independence now rests squarely on the Moslem League," the *Sun* declared. If the League refuses to join the interim government, there is the question of whether the interim government will be able to carry on with any success at all.

The *Pittsburgh Post-Gazette* wrote that the appointment of the first popular Indian government disclosed difficulties which confront any free government in a country composed of so many diverse groups. The paper said that "freedom is only one side of self-government. On the other, and of equal importance, is tolerance—what an English historian described as political morality. By that term he meant full acceptance by a minority of non-violent methods of changing Government policy—through the means of appeal to public opinion for redress of grievances, for without that there are only two alternatives: violent overthrow of the existing government, or subordination of the mass of the people to a relative few who control the methods of forcibly retaining power."

* * *

WORLD COURT

The *New York Post* praised the action of the Government in announcing adherence to the International Court of Justice and added: "In an era when peace-making is punctuated by murderous attacks on unarmed transport planes followed by retaliatory ultimatums, a quiet event passed off almost unnoticed. It shouldn't have." This nation, the paper said, for the first time in its history, agreed to allow 15 men of law, 14 of them citizens of foreign lands, to take compulsory jurisdiction over disputes between the United States and foreign nations involving issues of international law and interpretation of treaties." The paper concluded: "Recognition that no nation dare any longer resort to force must drive us to precisely such peaceful and impartial methods of settling international disputes as the World Court."

Chinese Labor Faces Terror, Says Chu

CHAIRMAN of the Chinese Labor Association, Chu Hsueh-fan, who represented China's labor unions at the World Trade Union Federation, including an estimated 1,500,000 workers in the Communist held areas, declared that Chinese trade union members, "like all liberals and democrats," were living in fear of their lives. Chu said that trade unions were now facing a new crisis following the "taking over" of the Chungking Head Office of the Government sponsored Chinese Labor Association, with its hospital, nursery, welfare society and other affiliated organs, by 200 armed policemen and secret police members. He pointed to Shanghai press reports that 38 officials and members of the Chinese Labor Association were still imprisoned "in a dark room, no more than 10 feet square."

Among the prisoners, Chu said, was a woman director of the labor nursery and her 10-year old child.

"The Kuomintang Government regards the suppression of the trade union movement as legal, and the carrying out of trade union activities as illegal," Liu Ning-yi, prominent trade union official, declared. This, he pointed out, was in spite of long promised freedom and protection of civil rights.

China's Harvest Best In 20 Years

THE abundance of the harvest this year has not been equalled in 20 years and rice prices are expected to drop everywhere. Already, in Szechuen province, rice reportedly is selling for CNC$2000 per picul and the provincial authorities are thinking of exporting large quantities of rice.

The Ministry of Food has a plan whereby every city will be able to store three months' supply of rice and thus avert catastrophy in the event of famine.

Reports from Szechuen, however, indicate that the abundant harvest has not brought happiness to the farmers of that province. Prices have fallen so low that the peasants are hardly able to cover the expenses of sowing and harvesting. The transportation difficulties are said to be the root of the evil. Too much rice in Szechuen and not enough elsewhere.

The soybean harvest in the Northeast is reported to be excellent. Transportation difficulties, however, have held up shipments to other areas, and the people are using soybeans for fuel, the Sin Wan Pao wrote.

A large quantity of cereals has been shipped to Tientsin and Peiping, where prices are expected to fall.

American and French firms here are reported purchasing raw silk for export at prices averaging around CNC$2,850,000 per bale. About 20 bales have been bought thus far, the Sin Wan Pao reported.

Death Overtakes Russian Traitors

LAST week the execution of "Ataman" Grigory Semenov and five other White Russian leaders of the emigre colony in the Far East, after a business-like trial in Moscow, wrote the end to a saga of terrorism and intimidation, apart from treason and espionage, which tainted the good name of many thousands. Semenov, acknowledged "ataman" of the pro-Japanese, anti-Soviet, collaborationist organization, was hanged by the neck, while the others, Konstantin Rodzaevsky, Alksei Baksheev, Leo Vlassievsky, Boris Shepunov and Ivan Mikhoilov, were shot and their property confiscated.

Two others, Nikolai Ukhtomsky, self-styled prince, and Leo Okhotin, have been sentenced to 20 and 15 years of hard labor respectively and their property confiscated.

"While in emigration, the semenovites closely linked their fate with the Japanese imperialists and actively participated in acts of Japanese aggression against the U.S.S.R." the state prosecutor, Colonel of Justice Kulchitsky, declared.

The main charges against the emigres were: organization of espionage, sabotage and terrorist activities against the Soviet Union, anti-Soviet propaganda, and organization of "white guard military formations for war against the U.S.S.R. on the side of fascist Japan."

Every one of the defendents admitted his guilt, but pleaded for leniency before the court.

Possible Tea Loan Scandal Seen

THE local Wen Hui Pao reported that following the huge rice scandal uncovered here last month, another tea loan scandal was in the offing, with irregularities rumored in connection with the CNC$7,000,000,000 granted to tea merchants by the Farmers' Bank.

The entire loan was distributed among 55 tea dealers, besides CNC$500,000,000 which went to the Tea Retailers Guild.

Early in January, local tea merchants approached the Government for a loan in order to prepare for exports to the United States and the Soviet Union. It was only some time in May that the loan was finally granted, when there was no longer a market for Keemun tea. The prospects for tea exports dimmed and it was no longer necessary for the dealers to purchase tea stocks.

It is now suspected, the Wen Hui Pao wrote, that the dealers who received the loans have extended them to other parties, who in turn used the money for speculation and hoarding. Among the dealers, two persons who obtained the largest loans, totaling CNC$1,400,000,000, used half of the money for purposes other than purchasing tea stocks.

What Chinese Papers Say . . .

WHILE reporting in big banner type the military developments in North Kiangsu and Jehol, the vernacular press editorially discussed the statements issued by Gen. Chou En-lai and the Democratic League. The *Wen Hui Pao* urging the Kuomintang and the Communists not to fight while admitting regretfully that this very situation had become a reality. Other leading topics were the execution of the assassins of Professor Wen I-to and the routing of street stallholders by the Shanghai Municipal Government.

• • •

CIVIL WAR

The *Sheng Chou Jih Pao* attacked the Communists' statement of August 26, declaring that they proposed "unconditional peace" to safeguard themselves from government attacks and thus to preserve their strength for future use.

In the wake of the Democratic League's statement, the *Ho Ping Jih Pao* declared that the Communists and the Democratic Leaguers have done a mighty job of propaganda "with their orchestras" and questioned the sincerity of both groups in advocating peace.

Arguing that probably owing to the fact that the administration of the areas from which the Reds are to withdraw is under discussion in the KMT-CP talks, the *Sin Wan Pao* and the *Shun Pao* strongly opposed the maintenance of the Communist-sponsored local governments and referred to them as totalitarian.

Propaganda arguments to the contrary notwithstanding, everybody realizes full well that the seriousness of the present situation lies in an all-out civil war, unprecedented in China in its scale, the *Wen Hui Pao* said, adding that both the Kuomintang and the Communist Party would not realize the impossibility of obliterating each other until both had dissipated a considerable portion of their military strength.

Within three to six months, the paper estimated, the first period of hostilities will have come to an end.

The *Wen Hui Pao* charged the U.S. Government with extending military aid to one of the factions involved through its bulk sales of U.S. surplus military supplies to the Kuomintang government. The paper regretted that Gen. Marshall and Ambassador Stuart would not put the military items on the agenda of the Committee of Five because, the paper maintained, they still hope that a Kuomintang victory will solve China's problems.

• • •

WEN I-TO CASE

The government and pro-government organs were almost unanimously of the opinion that Professor Wen I-to paid with his life for his denunciation of the government. The *Sin Wan Pao* expressed decided sympathy with the assassins of the Democratic League professor while the *Sheng Chou Jih Pao* urged the government to take vigorous steps to cope with ill-intentioned critics of its policies and administration.

The *Chiao Sheng Pao* voicing satisfaction over the clearing up of the Wen I-to case, asked for a re-examination of the case of Chang Sin-fu, the government engineer heading a take-over party proceeding to the Fushun coal mines in Manchuria last winter and who allegedly was killed by Communists.

The paper charged the Democratic League of negligence and accused it of unwillingness to protest against the murders committed by the Communists in the liberated areas.

Commenting on the statement made by General Ku Chu-tung, the *Wen Hui Pao* expressed amazement at Gen. Ku's attitude. Gen. Ku, the paper declared, in his statement seemed to imply that the Kunming assassinations of last July could be justified if the assassins had "taken into account some legal procedure." Professors Li and Wen, the paper emphasized, had been killed only as a warning to those who would follow in their footsteps.

• • •

SIDEWALK STALLS

The *Commercial Daily* last week commented at length on the decision of the Shanghai Municipal Government to abolish street stalls effective September 1. The paper agreed in principle with the government view that the measure would help to check smuggling and pilferage, protect industry and trade, and make the city more prepossessing in its appearance, but regretted that the authorities had failed to make a distinction between the vendors of American-made goods which reached the market through smuggling and pilferage and the sellers of native-made articles. The paper was of the view that the latter should be allowed to carry on their business provided they remain in suitable areas.

The SMG, the *Commercial Daily* pointed out, had announced its decision to abolish sidewalk stalls on August 20 and the 11-day period of grace, it held, was insufficient for the stallholders to dispose of their stocks. In this way, the government had shown no concern for the livelihood of an estimated 100,000 people.

A considerable portion of the goods for sale at the stalls had been bought from dealers in foreign goods, the paper continued, and for this reason the abolition of *all* stalls cannot be justified on the ground of checking smuggling and pilferage. The paper strongly protested that, as foreign goods still are being smuggled in thousands of tons under the out-and-out protection of Allied and National troops, the Customs is nothing but a standing joke. "The world has never known any other country which would see foreign goods flow into it without examining and taxing them," the *Commercial Daily* declared.

EVENTS IN BRIEF

More than 3000 Overseas Chinese are expected to arrive in Canton in the near future, Chang Tien-jeuk, director of the Office of Overseas Chinese Affairs declared. Most of them are returning to invest capital or look over the prospects of future investment.

* * *

Six United States Congressmen arrived in Shanghai late last week from Japan and Korea. They are: John E. Sheridan, (Dem. Penn.); L. F. Sikes, (Dem. Fla.); Dewey Short, (Rep. Mo); Thomas Martin, (Rep. Iowa); and J. Leroy Johnson, (Rep. Cal.); who are members of the House Military Affairs Committee. The sixth member, Michael A. Feighan, (Dem. Ohio), represents the House Judiciary Committee.

* * *

Democratic League observers just returned from the trial in Kunming of the murderers of Wen I-to, described it as "window dressing" to satisfy American public opinion. They said they were not allowed to freely witness the trial and that it was a "ludicrous play."

* * *

The United States Eighth Army report on the activities of the first year of occupation, revealed that there are now approximately 135,000 American troops in Japan, carrying out "a model military occupation." A grand total of 414,672 officers and men have been returned to the United States since last August.

* * *

A general up-grading of salaries in the Chinese Army will take effect from September 1, the Ta Kang Pao reported, quoting semi-official quarters. A full general's pay will be raised to about CNC$390,000 per month. A second lieutenant's pay will be raised to CNC$-150,000.

* * *

Four hundred Protestant missionaries returning to China and the Philippines will sail from San Francsico September 11, aboard the Marine Lynx, the Foreign Missions Conference of North America announced. They are the vanguard of about 8000 missionaries returning to their fields of service in East Asia and the Pacific Islands.

* * *

The rumored removal of British troops from the Netherlands East Indies was confirmed by authoritative London circles this week. British troops are expected to leave by November 30 and the military command in Java will be handed over to the Dutch.

* * *

Vatican Radio, commenting on the Communist criticism of the Vatican's attitude to events in Eastern Europe, declared that there was no conflict between religion and the Russian state. The conflict arose from the Communist denial of the existence of God, the radio said.

* * *

Ten American veterans, who served in the China Theater in World War II, will be recipients of scholarships provided by the China Institute in America. The scholarships are being awarded as "a small token of gratitude to the armed forces of the United States for their role in the struggle against the Japanese," the institute declared.

* * *

An American Institute of International Information, a non-profit research and information agency, which will seek and publish comprehensive data on world problems, was founded in New York city. Major Gen. William J. Donovan, former head of the Office of Strategic Services, has been named president of the institute.

* * *

The so-called Socialist Unity Party, comprising the German Socialists and Communists, won in last week's municipal elections in Russian controlled Saxony. Final results were: Socialist Unity Party, 1,608,851; Christian Democratic Union, 655,147; and Liberal Democrats, 671,271.

* * *

According to the latest population statistics, the number of persons residing in Nanking totals 808,658. Of this number, 952 are foreigners and 111 Japanese. The foreign diplomatic corps numbers 126 persons.

* * *

Private Chinese shipping companies are contemplating action designed to break what is declared to be an airtight monopoly arrangement between the CNRRA subsidiary, known as the CNRRA Waterways Transport, and the Chinese Government-owned China Merchants Steam Navigation Company, the Shanghai Evening Post and Mercury reported.

* * *

The American Government is preparing for an international conference which will write the peace of the Pacific, but particulars of date and member countries participating have not yet been decided upon, AP reported from Washington.

* * *

The Soviet News Agency Tass last week denied a report carried by a Chinese paper that some 50,000 Soviet soldiers were remaining in Harbin in civilian clothes. The denial stressed that all Soviet troops were withdrawn from Manchuria "as early as May 3."

* * *

The British Mediterranean Fleet will cruise in the Eastern Mediterranean during the early autumn, the Admiralty announced in London early this week. This is said to be the resumption of the normal peacetime routine, when sea and harbor exercises are carried out by the Navy.

* * *

Rice riots are feared in Singapore. Following the recent cut, present rations for men are four ounces daily in Singapore, and only three ounces in the Malayan Union, with proportionately less for women and children. Even heavy laborers draw rations only slightly more than four ounces.

* * *

The Franco-Spanish frontier, closed by France early in February in a move against Franco Spain, has been reopened for technicians, professors and "all persons traveling for humanitarian reasons," Reuter reported from Paris. Only 70 persons may cross the frontier daily.

* * *

A working agreement regarding the landing rights of Chinese and Philippine commercial transport planes in Manila and Shanghai was concluded at a conference in Nanking at the Chinese Department of Navigation and Civil Aviation. The Philippine delegation was headed by Vincente Arenas, Chief of the International Operations Department of the Philippine Government.

* * *

Caravan trade between India and the Chinese province of Sinkiang in Chinese Turkestan will be resumed in the near future, a report from New Delhi declared. A few caravans have already got through from Kashmir to Kashgar, but a number have been robbed by bandits, the report added.

The first plant constructed in the United States for mass production of the valuable new drug, streptomycin, has begun to function at Elkton, Virginia. The producing firm, Merck and Company, Inc., says that increased supply of the drug will be available during September. The drug has been used effectively in combatting rabbit fever.

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Who's Who in China

PROF. MA YIN-CHU, economist and leading member of the Democratic League; born at Cheng Hsien, Chekiang, 1881; after receiving elementary education in mathematics and English for seven

Prof. Ma Yin-chu

（馬寅初）

years in a Christian high school in Shanghai, he was admitted to the Peiyang University, Tientsin, studying metallurgy, 1907; while still an under-graduate he was sent to the United States to study by the Chinese Government; graduated from Yale University in economics in 1910; carried on research work in political economy at Columbia University until he returned to China in 1914; professor of economics of the National Peking University and concurrently adviser to the Bank of China 1914-1927; appointed member of the Chekiang Provincial Government in 1927; from 1928 on, member of the Legislative Yuan; taught at the University of Communications and the Central University in Nanking and concurrently chief of the issue department of the Bank of China, 1928-1937; during the war Professor Ma was given a chair in economics at the Chungking University; he was imprisoned for several years during the war because of his bold criticism of corruption and misgovernment; released shortly before the Japanese surrender and joined the Democratic League; he is now going to join the Shanghai Commercial College which he and Mr. Kwoh Ping-lin founded in 1920; author of Finance of the City of New York (doctor's thesis in English), Speeches of Ma Yin-chu (in four volumes), Collection of Ma Yin-chu's Economic Articles, China's Banking System, China's Financial and Foreign Exchange Policies, The Economic Reconstruction of China, outline of Economics, On Money, and Essays On China's Wartime Economy; addresses: c/o Legislative Yuan, Nanking, (temporary), No. 34, Fah Yuan Road, Hangchow (permanent).

* * *

LEON BLUM, 74-year old Socialist leader and former Premier, received a heavy blow from the congress of French socialists, when it rejected his policy report to the Executive Committee by 2694 votes to 1365. Blum said that an adverse vote would mean that the Socialist party would move into closer relations with the Communists and break with the Popular Republicans.

PEOPLE IN THE NEWS

The August 31, 1946 issue of the Review carried an item on the trial of the former puppet vice-minister of Foreign Affairs. The last part of his name was erroneously spelled HSIEN, whereas the entire name should have read Wu Kai-shen.

PRESIDENT HARRY S. TRUMAN, speaking on the occasion of the celebration of Labor Day in the United States, on September 2, saluted labor for "its magnificent job in wartime and the beginnings of peace. "This Labor Day is one of great importance," he said. "We can look into the future today with confidence, but not with tranquility. We still have a big job to do...."

* * *

SIR HUBERT RANCE, newly appointed Governor of Burma, was sworn in as Governor by the Burmese Premier, Ba U, at a ceremony at Government House in Rangoon, last week.

* * *

HERBERT HOOVER, former President of the United States, declared last week that he hoped the United States would retain the war-won islands in the Pacific. He said it would be a fatal mistake to take the administration of the islands away from the U. S. Navy.

* * *

DR. CHANG WEI, Public Health Commissioner reviewing the past four months, stated that Shanghai had 4243 recorded cases of cholera, 334 of which were fatal, representing a death rate of 7.8 percent —the lowest in China.

* * *

MALLANA DRUG GHAZZAVI, former President of the Punjab Congress Committee, who recently went over to the Moslem League, declared in Lahore, that the "interim government is a conspiracy between the British and the Hindu capitalists for the joint exploitation of the Moslems, which the Moslems will resist with force, if necessary."

* * *

GASSIN JADWAT, South African representative on the governing council of the World Federation of Democratic Youth, declared in London, that South Africa "is a vast prison house for those whose skins are colored, and the treatment of the Indian and native population there proves that the spirit of Belsen and Buchenwald still stalks in lands other than Germany."

* * *

J. B. POWELL, veteran journalist and publisher and editor of the China Weekly Review, is still in Tokyo. He is expected to arrive in Shanghai in the very near future, according to the latest information received.

* * *

ADM. WILLIAM F. HALSEY, retired naval commander, bluntly rejected Communist criticism of American naval dispositions in the Eastern Mediterranean. "It's nobody's damn business where we go," he said. "We go anywhere we please."

* * *

PRESIDENT MANUEL A. ROXAS, of the Philippines, met United States Ambassador Paul V. McNutt for a special conference to discuss the establishment of American naval and military bases in the Philippines, financial assistance from the United States, the transfer of enemy property and acquisition of surplus goods.

W. H. CARR has been appointed jockey to His Majesty the King of England, to succeed Douglas Smith, who will ride next season as first jockey for Lord Derby. The Royal Jockey was born in 1916.

* * *

SIR OSWALD MOSLEY, who introduced uniformed Fascism to Britain, and his wife Lady Diana Mosley, have opened a new printing and publishing company, formed under the title of "Mosley Publications, Ltd.," and registered as a private company with a capital of £10,000.

* * *

FIELD MARSHAL LORD ALAN BROOKE, Chief of the British Imperial General staff from 1941 until June, 1946, has been placed on the retirement list at half pay, the London Gazette reported. Lord Brooke, formerly Sir Alan Brooke, was created a Baron in 1945. He was succeeded in his post by Field Marshal Montgomery.

* * *

LIEUT. GEN. SIR NEIL M. RITCHIE, was appointed Commander-In-Chief of Allied forces in Southeast Asia as from February 1947.

* * *

DON CHISHOLM, American newscaster and journalist, who was held by the U. S. authorities since October, 1945, was released from Ward Road Jail. It was reported that investigation into his wartime activities did not substantiate earlier suspicions of collaboration with the Japanese.

* * *

VICTOR ODLUM, Canadian Ambassador to China, declared that "there was not a word of truth" in the report that he interceded with the Generalissimo at Gen. George Marshall's request, to break the political deadlock.

* * *

PREMIER ISMAIL SIDKY PASHA of Egypt, denied reports that the Anglo-Egyptian Treaty of 1946 would be enforced for another 10 years, which would allow British troops to remain in the country for that period.

* * *

SIR MARK YOUNG, Governor of Hongkong, in a broadcast in which he discussed the proposed revision of the Hongkong constitution, declared that the British Government intended to give the citizens of Hongkong, Chinese and non-Chinese, a fuller and more responsible share in the management of their own affairs.

* * *

MODESTO FAROLAN, Malacanan Press Secretary, was exonerated of all charges of treason and the case against him dropped owing to "insufficiency of evidence."

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Local Markets Quiet; Quotations Drop; Money Situation Tight

SHANGHAI markets during the week ending August 31 were quiet while quotations in the financial markets dropped. Many reasons were responsible for the weak undertone, including: 1) continued sales of gold by the Central Bank of China; 2) tight money situation created by the large sales of gold, cotton yarn, sugar and other commodities; 3) the approaching Mid-Autumn Festival, September 10, one of the three settlement days in China, and 4) rumors that the National Government will nationalize gold.

The first two reasons mentioned have more or less contributed to the low quotation for gold bars, which was $2,065,000 on August 31, representing a decline of almost 30 percent from the peak of $2,900,000 on August 19, when the Government announced the new exchange rate. During the week following the exchange revision, the Central Bank sold 7864 gold bars, calling in more than $20,000,000,000 fapi notes. During the second week ending August 31 the Central Bank sold 717 gold bars, calling in $1,600,000,000, these sales not including gold bars sold by the Bank through the gold shops. The following list gives the number of bars sold by the Bank during the week:

August 26	150 bars at	$2,160,000
28	192 bars at	$2,120,000
29	193 bars at	$2,070,000
30	142 bars at	$2,050,000
31	40 bars at	$2,050,000

The money situation became very tight indeed during the period. Black market interest rates rose from 12 to 20 and even 25 percent. A number of cotton yarn and stock companies failed because of financial difficulties.

As to the nationalization of gold, the report is undoubtedly premature. There are reasons for the Central Bank of China to continue its present policy of continuously selling gold as it will help to stabilize commodity prices and will make profits for the government. And it will help to check inflation in China.

When the gold price in America is only US$35 per ounce and when Mexican gold costs only US$50 per ounce when brought here, the sale of gold by the Central Bank of China at the present black market price of more than $2,000,000 is undoubtedly a very profitable business as it is about US$60 per ounce of gold. The recent Customs order to the effect that no gold can be imported without special permission shows clearly that the Government aims to stop private import of gold in competition with the Central Bank.

Checking Inflation

If statistics were available about the exact number of gold bars which the Central Bank of China has sold out since March and the exact amount of fapi which the Bank has called in through its sales of gold, it would not be difficult to calculate the good effect of the gold policy in checking the serious problem of inflation. This, in turn, has helped much to stabilize commodity prices in general.

Because of the weak trend of the gold market and the lack of demand for American bank notes, the greenback black market was very quiet. Black market rates dropped below the official price of $3350. The pound sterling was traded at $11,500 on August 31.

While the stock and share market also remained quiet, despite the definite decision to reopen the Shanghai Stock Exchange on September 9, the black market bond market was active during the week. On August 31 Consolidated Bond C rose to $2400 and on September 3 to $2800, because of the rumor that these bonds will be redeemed at 1000 times their face value. This rumor originated from the recent decision of the local court ordering the Joint Savings Bank to repay a deposit 1000 times because of the depreciation of the dollar. On September 3, a spokesman of the Ministry of Finance made clear that as from July 1 the Ministry of Finance had already redeemed bonds at their face value and that there was no truth whatsoever to the rumor of payment at 1000 times their face value.

The rice situation remains quiet with no change in quotations. Foreign rice as well as Szechuen and Kiangsi rice continued to be shipped here. The cotton yarn market, which was very firm with quotations up much both last and early this week, was brought under control when the China Textile Development Company and the private cotton mills decided to supply the market with 30,000 bales of yarn at official prices. Well-informed circles state that these companies aim to press down the price of 20's yarn to $1,350,000 per bale.

Although it is too early to say that the foreign exchange revision has made any definite achievement, it can be seen from the market conditions in Shanghai that quotations have not increased as much as expected so far as the leading commodities are concerned. As to trade, it is also too early to say that any effect has yet been registered.

However, according to the statistics issued by the Customs, Shanghai's foreign trade in July improved greatly as compared with June. While in June, the ratio between exports and imports was one to 18 in favor of imports, in July it was one to four in favor of imports.

The following table gives the quotations of the leading commodities in Shanghai on August 31:

	August 24	August 31
Gold bars	$2,650,000	$2,065,000
US Dollar notes	3,410	3,335
Bond C	2,050	2,400
Wing On Textile	685	668
Ewo Cotton	9,000	9,500
Rice	58,000	58,000
20's Yarn	1,700,000	1,650,000
Raw silk	3,200,000	3,250,000
Ruby Queen cigarettes	14,200	13,000
Koo Ban soap	47,500	47,000
My Dear matches	710,000	700,000

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Administration Set Up In Northeast

The Communist New China News Agency recently announced the inauguration of the "Provisional Supreme Administration for Democratic Manchuria" and called it the "first representative body of its kind in the history of Manchuria." The 186 elected delegates from various provinces and cities in the Northeast, "after a hot discussion" passed a common administrative program, the Agency declared, including Dr. Sun Yat-sen's "land-to-the-tiller" principle.

The Mongolian delegates, presumably from Inner Mongolia, offered to give part of the Mongolian land in Kirin, where some 30,000 Mongolians own an estimated 300,000 acres, to Chinese in need of land, the Agency declared.

Rent Reduced

The agrarian program is based on the reduction of rent and interest and the distribution of Japanese, puppet and "big traitor's" lands among landless peasants, striving "at the same time, to safeguard the livelihood of the landlords."

The overall program was based on the support of the PCC decisions, and the implementation of a peaceful reconstruction "against dictatorship and civil war," for the building of a "new, peaceful, democratic and prosperous Manchuria," the report said.

Self-Government

The establishment of a democratic, local self-government based on the PCC, with each province framing its own provincial constitution, was stressed in the decisions. Protection, encouragement and fostering of privately operated industrial and commercial enterprises was included in the program, the New China News Agency said.

The announcement ended with the following words: "Men and women of all nationalities have equal legal status in Manchuria."

Dredger Fushing May Be Returned

THE dredger Fushing, ordered by China with a firm in Danzig before the 1937 hostilities, was completed by 1938 and the Chinese government instructed the company to keep it in Europe until peace came. The dredger was sunk during the European war in the Baltic Sea.

Later, the Chinese Government learned that the dredger, the whereabouts of which were for a long time unknown, was salvaged by the Soviet occupation authorities near the German coast.

Negotiations will soon be begun by the Ministry of Foreign Affairs with the Soviet Government for the return of the dredger to China, Central News Agency reported from Nanking.

The Fushing's sister ship was delivered to China before the war, later seized by the Japanese and recently returned to China by SCAP.

BUSINESS FOOT-NOTES

The Korean Pure Alcohol plant resumed operation on August 3 at 60 percent of capacity, the Associated Press reported from Cheju, Korea. The plant manufactures alcohol from sweet potatoes and was formerly operated by Japanese.

* * *

More than 1600 merchant vessels, mostly available for purchase, are now tied up in the United States reserve anchorages. The Maritime Commission reported that 164 vessels have been declared surplus and returned from service during the month ending August 15.

* * *

The cost of living index for Chinese employees during the month of August was 375,408.61 and that for salaried workers was 453,674.62, the Municipal Press Bureau announced. Food was calculated at 488,542.07 and clothing at 619,461.43.

* * *

The first shipment of Japanese green tea to arrive in the United States since 1941 is loaded aboard the Jackson Victory due to berth at San Francisco over the weekend. The first lot of tea comprises 1,500,0000 pounds, of the total of 5,000,000 eventually to be imported from Japan.

* * *

An excess profits tax will be collected by the Government beginning September 1, the Sin Wan Pao reported. Firms making a profit of from 60 to 70 per cent of their capital will pay a 10 per cent excess profits tax, and the maximum tax of 60 per cent will be levied on profits of 500 per cent or more on capital.

* * *

Nearly all of the 7000 Monfalcone shipyard workers in Trieste returned to work after a two-day strike protesting against the posting of British troops and civil police in the yard "to maintain order." The Allied Military Government refused to agree to the workers' demand to withdraw troops from the shipyard.

* * *

More than half of all the imports of China during the first seven months of the current year came from the United States, which exported into China 53.63 per cent of all imports, according to Chinese Maritime Customs statistics. Almost 49 percent of China's exports went to the United States.

* * *

The United States War Shipping Administration, created on February 7, 1942, to operate the huge wartime merchant fleet, has been dissolved and its functions and personnel records taken over by the United States Maritime Commission, which will operate vessels still under government control.

* * *

Deplorable conditions at Chinese and Philippine ports have caused the hiking of the freight rates which henceforth will be quoted as follows: high density, US$2.03 to Shanghai; US$1.96 to Hongkong and Manila. Standard density, US$2.03 to Shanghai; US$1.96 to Hongkohg and Manila.

* * *

The United States presented the Union of South Africa with a bill for US$895,326,818, in settlemeent of lend-lease debts incurred during the war. Union officials had not expected such a high figure, placing the debt at a little over US$400,000,000, Reuter reported from Johannesburg.

More than 1000 lighter coolies started a strike on the waterfront after their demands for higher wages were rejected. This partially paralyzed the loading and discharging of cargo in the harbor. The coolies assembled near the Garden Bridge, intending to march on to the Social Affairs Bureau, but police constables who arrived on the scene prevailed upon them to break up the meeting, the China Press reported.

* * *

The Natural Resources Commission is preparing plans for the construction of a fertilizer factory in Whangpo, near Canton. The output capacity of the factory is expected to be around 500 tons of fertilizer daily.

* * *

The Bureau of Direct Tax has estimated that the total income tax which Shanghai business should pay to the Government for the year 1945, amounts to some CNC$55,000,000,000, according to the Shang Pao. Local businessmen are reported to be against the payment of this huge sum.

* * *

Investigations into the taking over activities of enemy property by the Department of Enemy Property Taking Over of the City Government revealed that almost CNC$4,000,000,000 worth of property was sold secretly, the Shang Pao reported. The responsible parties are now being investigated by the special committee sent here for this purpose, the paper said.

* * *

Large quantities of cotton yarn and wood oil were reported to have been smuggled into Hongkong and then reexported from the British colony to foreign countries, the Ta Kung Pao reported. Other products are also being smuggled from Canton, Foochow and Amoy, the paper said.

* * *

The construction of the Chengtu-Chungking Railway will be started in October, instead of September, as previously reported, the Ta Kung Pao wrote. The total contruction fund will reach CNC$52,000,000,000, of which half will be paid by the Central Government and the other half by the Szechuen Provincial Government. French interests will supply equipment valued at US$1,600,000.

* * *

The Bank of Taiwan has begun issuing new notes beginning September 1, in $1, $5, $10, $50, $100 denominations, in order to recall the old Taiwan banknotes at par. The old notes are expected to be fully withdrawn by the end of October.

* * *

Silk merchants are to be granted a loan of CNC$15,000,000,000 known as the "Autumn cocoon loan," according to a Shang Pao report. This loan forms part of the Government plan to aid raw silk exports.

* * *

The Bureau of Direct Tax has requested the Ministry of Foreign Affairs to negotiate with the French Government regarding the refusal by local French firms to pay business tax. It was reported that the French authorities have approached the Bureau repeatedly, asking for tax exemption based on the agreement in 1935 when only a five per cent tax was levied on French firms.

China's Civil War

As Reported Day By Day In The Press

August 28, 1946

Communists reported blowing up bridges around Chengteh in Jehol to hold up rapid Nationalist advance on Jehol capital, according to UP. In their drive against Chifeng, another Communist held city, Government forces captured Chaoyang, 90 miles off their goal.

Nationalist forces reportedly captured Fenghsien, north of Government-held Hsuchow, Lunghai Railway terminal. Communist forces retreated to Shanhsien, but drove on from Suining northward.

* * *

August 29, 1946

Ningcheng, 40 miles south of Chifeng, captured by Nationalists, according to UP. Government forces advance on Chengteh and Chifeng. Communists broke through walls of besieged Tatung, but were flung out, according to the Ta Kang Pao. Twelve regiments of Communist troops were thrown at Jukao in an attempt to recapture the city, the Hsin Min Pao reported.

* * *

August 30, 1946

Government troops entered Chengteh with Communists in full retreat towards Weichang, 75 miles northwest of the Jehol capital, Central News reported. Communist forces reportedly withdrew from Chengteh prior to arrival of Nationalist forces.

The Communists claimed to have captured long-besieged Tatung in North Shansi, according to the Hsin Min Pao, Nanking. Yenan radio said Communists troops withdrew from Siaotangshan and Chiulishan, a few miles north of Peiping, "after inflicting heavy casualties."

* * *

August 31, 1946

Nationalist forces, which took Chengteh yesterday, reached Lunghwa, 34 miles north of the Jehol capital, Government circles declared. The Communists offered no opposition. They have not yet confirmed the loss of Chengteh.

The Communists reportedly have recaptured Kutang and Haian in North Kiangsu and are again pressing on Jukao, according to the Hsin Min Pao. A train has been derailed by guerrillas near Peitaiho, 125 miles northeast of Tientsin, the same paper said. The railway between Tangshan, coal mining center, and Chinwangtao, its port, has been cut by the Communists, Reuter's confirms.

* * *

September 1, 1946

Government troops continue to converge on the last Communist stronghold in Jehol, following the fall of Chengteh, the provincial capital, United Press reported. Two columns are advancing on Chifeng, one from Chengteh, the other from Yehposho 75 miles from Chinchow.

The reported capture of Luanping by Nationalists brings them within 60 miles of Miyun in Hopei province, a Government frontline stronghold.

Communist forces continued attacks on the railway line between Tientsin and Shanhaikwan, in the vicinity of Lutai, 40 miles northeast of Tientsin, the Social Welfare Daily reported.

* * *

September 2, 1946

Nationalists reportedly have closed huge rectangle around Communist units in Hopei and Jehol with capture of Luanping, 11 miles southwest of Chengteh, according to the Hsin Min Pao.

Government forces exerted further pressure on Communists in the vicinity of Sanho and Hsiangho, 35 miles east and southeast of Peiping, the same report said. Severe fighting around Lunghuaihsien and Weichang, in the area around Chifeng, last Communist stronghold in Jehol, according to the New China News Agency.

Government troops have entered Taierchuang, on the Shantung-Kiangsu border, 50 kilometers northeast of Hsuchow, according to Central News.

* * *

September 3, 1946

Government troops occupied Chihfeng, last Communist stronghold in Jehol province, following a week-long drive against this railway junction, the Shih Chieh Wan Pao reported from Peiping. The Communist defenders were reported to have evacuated the city to avoid a major battle, the same source said.

A column of Government troops occupied Heshuehcheng, 35 miles southeast of Chifeng, important highway center, UP reported.

Large-scale fighting reportedly broke out around Mukden, with clashes occurring in Tungfeng and Hailung, about 190 miles northeast of the city, AP cabled from Peiping.

Elliott Roosevelt Prepares New Book

A NUMBER of revealing thoughts and statements of the great President Franklin D. Roosevelt, not previously published or recorded, are brought to light in Elliott Roosevelt's new book, which he is now preparing for publication.

The late president's son quoted his father as saying, after a conference with Winston Churchill, that unless the colonial imperial system is ended, the world would be faced with a third world war. "I am talking about another war—what will happen to our world if, after this war, we allow millions of people to slide back into semi-slavery," the president is quoted as saying. He added that Americans would probably not have been dying in the Pacific, "had it not been for the shortsighted greed of the French, British and Dutch."

Elliott Roosevelt reveals that Churchill "was always of the opinion that we should enter Europe in such a way as to meet the Red Army in Central Europe, so that Britain's sphere of influence would be maintained as far east as possible."

The article states that the late president was in favor of independence for colonial and subject countries, under the guidance of the Big Four, who will be responsible for bringing education, raising the standards of living, improving health conditions of all backward and depressed areas of the world.

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NEW BOOKS OF INTEREST

Inside Information

TOP SECRET *by Ralph Ingersoll. Published by Harcourt, Brace & Company, New York,* 1946, 373 *pp.*, US$3.00. *Reviewed by John Ahlers.*

THE title of this book is derived from a military code word covering the the key section of the Anglo-American plans to invade Normandy, free France and defeat the Germans in their own territory. The making of these plans and their execution form the subject of the book. The publisher and the author do not claim that the book reveals any particularly great secrets, though the book is generally credited with disclosing a good deal of inside knowledge not previously shared by the general public. The author was, in one capacity or another, with Devers', Bradley's and Montgomery's staffs throughout 1944-45, and in those spots certainly was in a position to see more of the war than either the average GI or the stay-at-homes. Some of his chief contentions will be vigorously protested, especially since there is a lack of specific and precise documentation—yet they are interesting and deserve to be read.

The chief contention is that the British, and Montgomery for the British, took it upon themselves to defeat the Germans in France and on the German borders, but were defeated and had to let the Americans beat the enemy and win the war. It is contended that Montgomery sought the decision first at Caen, but in vain, and that Bradley's great American break-through at St. Lo was intended, at SHAEF, as a secondary operation. Again, it is contended that Montgomery was earmarked to strike the decisive blow across the Rhine North of the Ruhr region, but that Hodges and Patton and Bradley, clearing the Rhineland and striking across the River to envelop the Ruhr, won the great victory while Montgomery was bogged down. And again, to Patton's Americans is ascribed the defeat of the last great German offensive in the Ardennes.

It is General Omar Bradley who, from all of the above, emerges as the most able of the Allied field commanders in Western Europe, far outshining by both ingenuity and success Montgomery and Eisenhower. The latter is pictured as a mere political general, subservient to both Marshall who made him and Churchill who allowed him to be made—very able as a coordinator, but not responsible for either "Overlord" (i.e., the invasion plan) or the victories in the field. It is suggested that the American field commanders in 1945 deliberately staged decisive operations on their own, crushing Germany at a time and in ways not preconceived by SHAEF. Montgomery is shown as a diminutive, extremely arrogant and egotistic colonial battlefield success with dictatorial allures.

There seems reason to assume that Bradley gets from Ingersoll all the write-up he deserves and no more, but that Eisenhower and Montgomery get light thrown chiefly upon the negative aspects of their careers and really are far abler military men that Ingersoll would allow his readers to think. Ingersoll makes no secret of his resentment of the British attitude in numerous joint Anglo-American undertakings, viz., of putting British interests first and pulling hard, and with all means at their disposal, to make their interests prevail. He resents, in particular, that the British tried to win the war in Western Europe with a British plan under British command to the chief credit of the United Kingdom although relying, in the main, upon the American help.

Very likely that was the British attitude. This would be the attitude of the politicians, diplomats, and military of any country with world-wide imperialist experience. The British, who probably will agree with Ingersoll, did not in the first place want to win the war at all costs as early as possible, but wanted to win it at the time and in the way most appropriate to the advance or preservation of their own interests. With four hundred years of experience in coalition warfare they, as a matter of course, agree with Prussia's great military genius Clausewitz that war is but the continuation of politics with other means.

Ingersoll's book is written upon so strongly an anti-British note that the reviewer hopes that most readers will continue to the final chapters where the author concedes what should have been emphasized in a foreword: viz., that, strange though British ways may seem to Americans, they are quite reasonable from British viewpoints, and that the British are not, and do not behave, essentially different from Americans. And this concession invalidates a good deal of Ingersoll's resentment.

The book makes interesting reading, especially to laymen in things military who, like the writer of this review, had no idea of the enormousness of the preparations that had to be made to get "Overlord" safely launched, and to keep it up, and to carry the invasion farther into and through the enemy's lines. Ingersoll has a hundred aspects to reveal that the outsider will hardly think of, and realization of which in the mind of his readers may contribute to better understanding of all that modern war involves.

Chinese Family

TORRENTS OF SPRING *by Robert Payne. Published by Dodd, Mead & Co., New York,* 1946. 218 *pps. Reviewed by Anne Jessup.*

HERE in fictional form, is another profession of the author's attachment to China; his sensitiveness to her values and her failings, her beauties and her problems. In a pleasing, descriptive style, colored with the poetry of Chinese writing, he brings to life a corner of Chinese life at the time when Sun Yat-sen was hiding in Canton.

The story takes place in one of the remote gorges of Szechuan, unfolding between the ancestral Hall of the Splendid Cloud and the monastery which lies on the roof of the cliffs over-looking the swift-flowing Chia-ling river.

It is the story of three young people of China and also the story of China herself at an unwritten moment in her history. Offspring of an Imperial Manchu ambassador, Shaofeng, Lifeng and Rose grow up into a world of legend and tradition, leading a tranquil life amongst their slaves and the surrounding peasantry and imbibing the somewhat incoherent philosophies of their tutor. Letters, books and mechanical gifts from their father, traveling in Europe, provide the western knowledge which is the leaven acting on their minds to change the quiet life of three adolescents into the feverish activity of ardent Chinese revolutionaries.

Thus the eldest son, at sixteen the leader of the local peasantry in revolt, tries to maintain contact with Dr. Sun Yat-sen. In the anxious interim he sets the slave girls to sewing flags, the women and old men to making bullets in a hut in the midst of the farm lands of the Perilous Acres and assembles an arsenal in the Enchanted Garden, hiding guns in the tombs of his ancestors.

From the moment in April when the sun fell like rain in "torrents of Spring" on the trembling lotuses to the dark days in autumn when Shaofeng goes to his execution, over-come by the beauty of the morning which is "as eternal as this beloved country of mine" the reader

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breathes the poetry laden atmosphere of the old China and stirs with her restlessness and chafing beneath the yoke of the Empress Dowager.

The book is a satisfying piece of grateful literature, supplying a convincing medium of escape for sober-lived readers. Also, it has a non-fictional purpose, stated by the author in his prefatory note: "The book has been written with the conviction that now more than ever is it necessary for the West to understand the East, and that words like 'democracy' and 'freedom' must be understood and put into practice as well as reverenced." And quoting the words of one character he continues: "The people must rule themselves. They are old enough for this responsibility. When the wars are over, when the whole of China is blazing from end to end with the ideas of Dr. Sun Yat-sen, then we shall have peace."

In the light of the most recent events it is to be wondered how many other revolutionaries of Shaofeng's time have died in vain.

China Eye Opener

THE SMALL GENERAL *by Robert Standish. Published by the MacMillan Co., New York,* 1945, 235 *pps.*, US$2.50. *Reviewed by F. J. Shih.*

THIS noval is rather an attempt to analyse the underlying causes of the painfully slow transition of a decadent and suckled empire into a dreamed-of democracy, than the kind of strictly personal life of a dramatic hero. Typical of the unhappy situation in China, life was on the one hand an essentially herculean task to survive natural forces and those equally dreaded man-made ones like ruthless competition and corruption. On the other hand, after the distinctively individualistic Chinese mind was roused sufficiently to feel the need of something strong enough to stem the inroads, both political and economic, made by foreign nations, especially the Japanese as the author here sharply points out, the journey ahead for China, which is still strewn with the scars and vestiges of the past, is just as difficult.

The Small General, the namesake and hero of this novel was born and brought up under these circumstances. In the first part—the book consists of two parts—Sung, the father of the Small General and owner of a fabulously productive mulberry plantation, however, was the central character. By keeping secret how he always sold one-third more cocoons than others with the same number of trees, Sung managed to trick a succession of ambitious silk growers into paying fantastic prices for his secret. These dupes included the most influential silk merchant of Soochow by the name of Lok Kai-shin and the multifarous Fureno Trading Co. of Japan. At that time Japan's influence, especially on commercial lines was strongly felt and resented throughout China, which bound by unequal treaties could not raise an effective tariff barrier. This only brought the two and turned Sung's trick on a common foe, the Fureno Co. As a result Matsudara, Fureno's Soochow manager, paid a heavy price for his blunder, and later died at the hands of the Japanese secret police.

By this time the Small General had received a spattering of western style education and was most enthusiastic about the newly born republic. His father, however, thought no man could achieve a deep and understanding sympathy with the life and problems of China unless he was near to the soil. Chafing at first, the Small General was soon reconciled to this view, and was assuming more and more responsibility on Sung's island. Undaunted, the Fureno Co. this time despatched two learned professors with six armed secret servicemen to ferret Sung's secret. To his rescue came a pirate leader, who ironically was the sole protector of Sung and his fellow silk growers in and around the region. In the fight the Japanese were captured but Sung's life together with his scandalous career was ended by a stray bullet from one of the Japanese gunmen. He passed his secret to his son shortly before he died, and it was nothing more than an ability to keep his mouth shut after having bought the extra cocoons from someone else.

When the Small General reached his manhood the country was flooded with Japanese goods. A secret Brotherhood of the Canal, which became a nation-wide patriotic society later, conducted a boycott on Japanese goods. As vividly depicted by the author in the second part, the rest of the story was chiefly a battle royal between the brotherhood and the Fureno Co. The Small General's thoughts and emotion were torn between China's time-honored traditions and the irresistible forces of the 20th century, dividing, however, his time between his plantation and the brotherhood's chambers, like his fellow patriots. Though the brotherhood, like the country itself, was fully conscious of the Japanese menace, unity among its members in the real sense of the word was far from being achieved. When at last Japanese guns boomed away at the gate of Shanghai neither the nation nor the brotherhood was at all prepared to meet the onslaught, but it held high hopes for better days to come.

To present day China the Small General is both an eye opener and a chalfenge, a challenge to whether China will achieve unity now or unity will come to China naturally as the author believes, which in this case will take many many years. But the author, like many others who write on the Chinese scene, has sadly overlooked that eight long years of life-and-death struggle, during which not even the remotest section of the population was spared, has given birth to a number of new and stronger forces that might turn the wheel to that national goal quicker than the author has expected. On the whole it is a highly readable piece of writing, in which the author has shown unusual understanding of the Chinese character and of the Chinese scene.

For Leisure

BRIDESHEAD REVISITED *by Evelyn Waugh. Little, Brown and Co., Boston.* 1945. 340 *pp. Reviewed by S. E. Shifrin.*

A reader unfamiliar with English idioms and using an abridged dictionary will probably find that "poppet" means "puppet," but he will remain unconvinced by his dictionary. If he goes further into the matter he will as likely as not discover that it is an archaic term of endearment—a thing he half-suspected all along. At times Evelyn Waugh's latest suffers from seeming to be fashioned out of "blotting paper" to borrow one of his expressions. Somehow the motives and psychological reactions of his book-creatures fail to convince, is spite of some extremely well written pages. In most readers in China unfamiliar with English life, and the undergraduates' existence at Oxford the nostalgic memories of Capt. Ryder will fail to strike a sympathetic chord.

It is all very nice, very genteel. Even the drunkenness of brother Sebastian, even the adultery of sister Julia, and even cynic Ryder's relations with his scatterbrained wife. But it is just a trifle unconvincing, even if the book was a best-seller in America early this year.

If Catholic author Waugh's intention has been to write a novel about Catholicism or the pointlessness of divorce he was not particularly successful. He did succeed, in an off-hand manner, in posing the question of spiritual discipline and faith versus personal happiness and carnal enjoyment of life. But even then his thesis is barely outlined. A "nice" book, a pleasant book for leisure reading, but a book about which it is difficult to feel strongly—one way or another.

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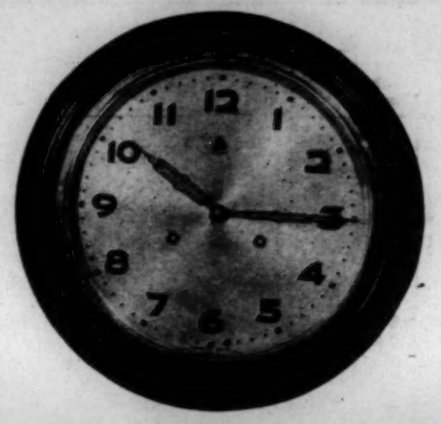

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4th Class	3rd Class	Tri. Exp.	1,2,3 Exp.	1,2 Exp.	4th Mixed	1,2,3 Night Exp.	1,2 Night Exp.	站名 STATIONS	4th Class	3rd Class	1,2,3 Exp.	1,2 Exp.	1,2 Tri. Exp.	4th Mixed	1,2,3 Night Exp.	1,2 Night Exp.
1.20	5.00	7.00	9.00	11.00	16.20	21.00	22.00	D 上海北站 SHANGHAI NORTH A	13.25	17.30	15.50	19.20	22.30	4.50	5.35	6.20
2.43	6.51		10.06	12.15		22.34		D 崑山 KUNSHAN D	11.50	15.51	14.50	18.05			4.28	
3.34	7.54	8.41	10.47	12.58	19.51	23.32	0.11	A 蘇州 SOOCHOW D	10.53	14.45	14.05	17.18	20.51	2.10	3.39	4.30
3.44	8.02	8.48	10.55	13.06	20.06	23.39	0.18	D 蘇州 SOOCHOW A	10.45	14.37	13.57	17.11	20.43	1.50	3.32	4.23
4.53	9.14	9.36	11.43	14.03	21.21	0.35	1.11	A 無錫 WUSIH D	8.52	13.28	13.09	16.17	19.55	0.10	2.39	3.30
4.59	9.20	9.42	11.50	14.09	21.31	0.42	1.17	D 無錫 WUSIH A	8.46	13.22	13.03	16.11	19.48	23.57	2.32	3.24
6.07	10.56	10.31	12.47	15.08	22.43	1.40	2.18	A 常州 CHANGCHOW D	7.38	11.45	12.13	15.10	19.01	22.45	1.42	2.35
6.30	11.07	10.41	12.57	15.18	23.03	1.50	2.28	D 常州 CHANGCHOW A	7.28	11.35	12.03	14.56	18.51	22.14	1.20	2.25
7.47	12.30		13.49	16.16	0.42	2.55	3.32	A 丹陽 TANYANG D	6.07	10.08	11.06	13.51		20.54	0.03	1.02
7.57	12.38		13.53	16.20	1.00	2.59	3.36	D 丹陽 TANYANG A	6.02	10.00	11.03	13.42		20.44	23.59	0.58
8.48	13.35	12.08	14.30	17.04	1.57	3.45	4.21	A 鎮江 CHINKIANG D	5.11	9.09	10.27	12.56	17.18	19.46	23.06	0.05
9.11	13.42	12.15	14.38	17.13	2.10	3.53	4.28	D 西站 WEST A	5.04	8.59	10.20	12.49	17.11	19.33	22.56	23.56
11.30	15.40	13.35	16.10	18.45	4.35	5.30	6.00	A 南京 NANKING D	2.50	7.00	9.00	11.00	15.50	17.00	21.00	22.00

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SHANGHAI 上海							
KUNSHAN 崑山	52	2,800.	3,800.	1,400.	1,900.	700.	1,000.
SOOCHOW 蘇州	87	4,400.	5,400.	2,200.	2,700.	1,100.	1,400.
WUSIH 無錫	129	6,400.	7,700.	3,200.	3,900.	1,600.	2,000.
CHANGCHOW 常州	168	8,400.	10,100.	4,200.	5,100.	2,100.	2,600.
TANYANG 丹陽	213	10,400.	12,500.	5,200.	6,300.	2,600.	3,200.
CHINKIANG WEST 鎮江西站	243	11,600.	14,000.	5,800.	7,000.	2,900.	3,500.
NANKING 南京	312	14,800.	17,800.	7,400.	8,900.	3,700.	4,500.

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6.45	7.50	8.10		14.50	16.40	D 上海北站 SHANGHAI NORTH A	13.05	13.30		18.00	20.00	22.35
7.04	8.06	8.36	9.36	15.15	16.59	D 上海西站 SHANGHAI WEST D	12.47	13.14	16.55	17.45	19.46	22.16
7.47		9.38	11.12	16.17	17.51	A 松江 SUNGKIANG D	11.42	12.28	15.31	16.58		21.12
7.52		9.43	11.45	16.22	17.56	D 松江 SUNGKIANG A	11.37	12.23	15.21	16.53		21.07
9.00	9.50	11.14	13.53	17.53	19.20	A 嘉興 KASHING D	10.06	11.16	13.20	15.45	18.01	19.37
9.10	9.58	11.23	14.08	18.03	19.30	D 嘉興 KASHING A	9.56	11.03	12.58	15.35	17.51	19.27
9.45		12.06	15.05	18.48	20.04	D 峽石 YEHZAH D	9.10	10.30	12.08	15.03		18.46
10.16		12.51	16.04	19.33	20.35	A 長安鎮 CHANGAN-TSENG D	8.22	9.43	11.02	14.29		17.57
10.21		12.56	16.20	19.38	20.40	D 長安鎮 CHANGAN-TSENG A	8.17	9.38	10.52	14.24		17.52
11.25	11.45	14.10	18.25	20.50	21.35	A 杭州 HANGCHOW D	7.05	8.40	9.00	13.30	16.05	16.40

FARE LIST

STATIONS 站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI 上海							
SUNGKIANG 松江	45	2,400.	3,400.	1,200.	1,700.	600.	900.
KASHING 嘉興	99	4,800.	5,800.	2,400.	2,900.	1,200.	1,500.
YEHZAH 峽石	126	6,400.	7,700.	3,200.	3,900.	1,600.	2,000.
CHANGANTSENG 長安鎮	151	7,600.	9,200.	3,800.	4,600.	1,900.	2,300.
HANGCHOW 杭州	190	9,200.	11,100.	4,600.	5,600.	2,300.	2,800.

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